

**ANNUAL REPORT**  
and Accounts 2006-07

# Tribunals Service

## Annual Report and Accounts 2006-07

An executive agency of the Ministry of Justice  
(formerly the Department for Constitutional Affairs)

Presented to The Houses of Parliament and Scottish Parliament pursuant to Section 7 of the Government Resources and Accounts Act 2003 and Section 6 of the Criminal Injuries Compensation Act 1995 after consultation with the Scottish Ministers in accordance with Section 88(2) of the Scotland Act 1998.

Ordered by the House of Commons to be printed on 24 July 2007.  
Laid before the Scottish Parliament by the Scottish Ministers on 24 July 2007.

HC905  
SE2007/105

London: The Stationery Office

£18.00

## PURPOSE, VISION AND VALUES

### Purpose

The primary tasks of the Tribunals Service are:

- to provide a responsive and efficient tribunals administration
- to contribute to the improvement of the quality of decision-making across Government
- to reform the tribunals justice system for the benefit of its customers and the wider public
- to promote and protect the independence of the judiciary.

### Vision

In delivering our primary tasks we aim to be a modern, customer-focused organisation that delivers excellent performance in improving the quality of original decision making and the resolution of tribunals disputes. We will:

- work effectively in partnership with the judiciary and others
- drive up standards of original decision making
- use creativity and innovation to transform service delivery
- provide customers with choice, where possible, in the way they access services
- engage with everyone - staff, customers and stakeholders - at each stage of the business
- make efficient and effective use of resources.

### Values

In common with the rest of the Ministry of Justice we will value:

- **customers** - putting our customers first
- **achievement** - valuing our people and their contributions to service delivery and making the Tribunals Service a place where people are proud to work
- **leadership and teamwork** - giving people the freedom and support to succeed
- **personal responsibility** - doing what we promise and making a difference
- **diversity** - recognising that we are all different and valuing this.

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## CONTENTS

one  
two  
three  
four  
five  
six  
seven

annexes

Chief Executive's foreword	4
What is the Tribunals Service?	5
How have we maintained and improved standards of service delivery?	8
How have we developed the capability of the organisation to deliver reform?	13
How have we dealt with appeals in more effective and efficient ways?	21
What do we aim to achieve in the forthcoming year?	24
What are our governance arrangements?	27
Remuneration Report and Accounts	33
Remuneration Report	34
Statement on Internal Control	39
Financial Statements and supporting notes	44
A Tribunals and their jurisdictions	64
B Performance against key performance indicators	67
C Performance against other performance indicators	68
D Staffing levels, Judiciary and Annual Disposals	69
E Success rates in main tribunal jurisdictions	70
F List of abbreviations	71
G Management Structure	72

## FOREWORD

By the Chief Executive



**It gives me great pleasure to present the first annual report of the Tribunals Service.**

The Tribunals Service was created in April 2006 with a mission to establish, for the first time, a unified administration for the tribunals system. We launched only eighteen months after publication of the Government's White Paper 'Transforming Public Services: Complaints, Redress and Tribunals' and committed ourselves in our first year to plan to deliver a real transformation, without compromising the existing service on which so many people depend.

We set ourselves three challenging goals:

- to maintain or improve standards of service
- to develop our capacity to deliver reform
- to reduce the volume of appeals reaching tribunals and to dispose of those that do in more effective and efficient ways.

I believe that we have delivered against each of them. We have improved performance significantly across most of our jurisdictions and have well developed plans to do still more. We have introduced a new leadership and management structure to integrate all of our business, and we have developed a radical new business model which will transform our service over the next five years.

These are considerable achievements for an organisation in its first year. They reflect our determination to realise the potential benefits of reform for both taxpayer and tribunal users alike. We have created a sense of pace and urgency in the development of our plans, and I intend to maintain that pace as we deliver our future strategy.

I would like to extend my sincere thanks to everyone across the tribunals system who has contributed to a successful year. In particular, to the judiciary for their enthusiastic participation in developing our vision for the future, and above all to our staff whose hard work and commitment to providing a first class service is fundamental to everything we have achieved and to our future plans.

I look forward to the coming year with great enthusiasm. It has been a real privilege to lead the Tribunals Service through its first year. We have laid the foundations for change; now we are starting to deliver it.

**Peter Handcock**  
Tribunals Service Chief Executive



## SECTION ONE

### Introduction

#### What is the Tribunals Service?

The Tribunals Service was created in April 2006 as an Executive Agency<sup>1</sup> of the Department for Constitutional Affairs (now the Ministry of Justice). We brought common sponsorship to 23 tribunals formerly managed by six separate government departments. During the course of the year the Gambling Tribunal and the Claims Management Services Tribunal were created, bringing the total to 25. On 1 April 2007 two other tribunals, Care Standards and Asylum Support joined from the Department of Health and Home Office respectively.

<sup>1</sup> A public institution, headed by a Chief Executive and performing an executive task, which remains part of the department from which it originates. Agencies are normally directly accountable to the responsible minister, who in turn is accountable to Parliament.

## 566,461 cases were disposed of in 2006-07

The tribunal jurisdictions that now constitute the Tribunals Service deal with over 500,000 cases a year and resolve more disputes than the civil courts. Many of these disputes involve society's most vulnerable people, and they relate to a very diverse range of social and regulatory matters including:

- asylum and immigration
- social security and pensions
- employment
- health and care
- special educational needs
- criminal injuries compensation
- property and land
- finance and tax
- transport
- data protection.

The Tribunals Service's task is to successfully bring together the administration and judiciary of these jurisdictions and provide an integrated, user-focused service.

## Background to our creation

The need to reform the UK tribunals system was highlighted by Sir Andrew Leggatt's 2001 Report 'Tribunals for Users: One System, One Service' and the Government's 2004 White Paper 'Transforming Public Services: Complaints, Redress and Tribunals.' Each concluded that the existing individual tribunal jurisdictions should be brought together to form a single integrated service which would:

- ensure that tribunals are visibly independent of original decision makers
- make it easier for users to understand the process of seeking redress
- bring improved quality and efficiencies of scale to the provision of administrative and management support
- allow the implementation of a national organisation, with a regional structure promoting a strong local presence
- create an environment where best practice can be identified and developed throughout the organisation.

### Main elements of the Tribunals Service

Scope	UK-wide
Individual Tribunals	25
Cases disposed of in 2006-07	566,461
Judiciary	527 (salaried) 6,239 (fee-paid)
Staff	2,934 (including short term contracts and agency staff)
Total operating costs	£314.52m

figures as at 31 March 2007

The relatively short period between the publication of the White Paper and the creation of the Tribunals Service resulted in there being time to do little more than transfer the incoming tribunals from sponsor departments in their existing state. The task of planning their integration and modernisation was identified as a key objective to be undertaken during the Agency's first year.

### Links to the wider Departmental agenda

The Tribunals Service supports the wider Ministry of Justice vision, in particular the following key themes:

- to develop policies that empower citizens and communities helping them manage their problems more effectively, safe guarding their rights and connecting them more closely to the democratic systems
- to change radically the way we deliver services so that tribunal arrangements are modern and a better match to the needs of customers and the taxpayer.

We also support the following Ministry of Justice strategic objectives:

- to provide an independent responsive and proportionate courts and tribunals services that promotes public confidence in the justice system

- to provide access to advice and effective systems for resolving disputes to enable people, particularly those vulnerable to social exclusion, to understand and enforce their rights, preventing their problems from escalating
- to strengthen rights and democracy by enabling people to influence the decisions that affect their lives, protecting rights for individuals and communities and developing the institutions of our democracy.

### Priorities and objectives for 2006-07

For our first year of operation in 2006-07, our objectives were to:

- maintain current standards of service delivery and improve them wherever possible
- develop the capability of the organisation to deliver reform
- reduce the volume of appeals reaching a full tribunal hearing and to dispose of those that do in more effective and efficient ways.

The following chapters expand on how we performed against these objectives.



“The Tribunals Service aims to empower citizens and communities, helping them manage their problems more effectively”



## SECTION TWO

Performance against  
objective one

How have we maintained  
and improved standards of  
service delivery?

In our first year we did a great deal of work in planning for future change. But we remained committed to the overriding principle that the quality of the service provided to our customers must not be allowed to suffer as a consequence.



We continuously monitored our performance against a range of measures, the most important of which were classified as Key Performance Indicators (KPIs). For 2006-07 our KPIs related to one of our most fundamental service delivery objectives - reducing waiting times for our customers.

We selected appropriate KPIs from the targets already monitored by the larger tribunals which account for the bulk of our workload.

Detailed information on performance against our Key Performance Indicators (KPIs) is at Annex B. Similar information on other performance indicators is at Annex C.

## Performance in specific jurisdictions

Over 92% of Tribunals Service cases are dealt with in the three largest tribunal jurisdictions: the Asylum & Immigration Tribunal, the Employment Tribunals and Social Security and Child Support Appeals. The latter handles the greatest volume of cases, amounting to 41% of total receipts.

### SOCIAL SECURITY AND CHILD SUPPORT APPEALS (SSCSA)

SSCSA performance on the average time from receipt of appeal to first tribunal hearing was 9.6 weeks against a target of 11 weeks. This represented an improvement over 2005-06 when the equivalent performance was 10.4 weeks. During the year 223,303 appeals were received and 254,344 disposed of. A small improvement was made on the average waiting time for re-hearings returned by the Social Security Commissioner with a reduction over the year from 7.2 to 7.1 weeks against the target of 8 weeks.

### EMPLOYMENT TRIBUNALS (ETs)

In Employment Tribunals 79% of cases commenced their first hearing within 26 weeks compared to a target of 75%. Again this marked an improvement over 2005-06 when performance was 78%, and was achieved despite an increase in single claims of 25% compared to the previous year.

### ASYLUM AND IMMIGRATION TRIBUNAL (AIT)

The AIT's KPI for 2006-07 related to its contribution to the Home Office-led joint Public Service Agreement (PSA) to "focus the asylum system on those genuinely fleeing persecution by taking speedy, high quality decisions and reducing significantly unfounded asylum claims" (SR 2002 PSA 5). The KPI was the proportion of substantive asylum applications received in 2005-06 that were decided, including final appeal, within six months. Against a target of 75% the provisional outturn was 74%. Final figures will be published by the Home Office later this year. This compares with the position in the previous year when performance was 67% against a target of 65%.

The AIT contributes to another Home Office-led joint PSA to "reduce unfounded asylum claims as part of a wider strategy to tackle abuse of the immigration laws and promote controlled legal migration" (SR 2004 PSA 3). The relevant joint measure of performance against this target is that the number of unfounded asylum claims in 2007-08 should be less than in the baseline year of 2002-03. The interim outturn for 2006-07 showed a reduction in unfounded asylum claims of 45%, with 38,800 unfounded asylum claims being received compared to 70,200 in 2002-03. More generally, the Tribunal received 138,943 cases of varying type and decided over 166,191 cases. This was as a result of clearing the surge of cases following the

**41%**  
of total Tribunals  
Service receipts  
have been dealt  
with by Social  
Security and Child  
Support Appeals

“A radical programme of improvements has been developed to improve the level of service delivered”

introduction of direct lodgement when the AIT was created in April 2005, a change in the workload with a reduction in the more time intensive asylum cases, and an increase in the number of cases not requiring an oral hearing.

#### CRIMINAL INJURIES COMPENSATION APPEALS PANEL (CICAP)

CICAP have continued to reduce their number of outstanding appeals; from 4,339 in April 2005 to 2,525 by the end of March 2007. This represents a reduction of 42% over two years and 27% in the past year. The reduction is due to fewer new appeals and a commitment by both CICAP and the Presenting Officers' Unit of the Criminal Injuries Compensation Authority to deal with higher value and more complicated cases. CICAP's Chairman has continued to be pro-active in ensuring cases are listed promptly where there is no obvious explanation for delay in an appeal.

Applications for judicial review were received against less than 0.5% of the total CICAP decisions. The low number of challenges against decisions of CICAP adjudicators is strongly indicative of high quality decision making.

#### MENTAL HEALTH REVIEW TRIBUNAL (MHRT)

In MHRT applications under Section 2 (Mental Health Act 1983) continued to meet the exacting 7 day target, with average performance of 6 days. The average time for Section 3 (Mental Health Act 1983) cases increased slightly from 5.9 to 6.7 weeks. Restricted patient cases improved from 17.6 to 16.6 weeks. The MHRT takes the tribunal to the patient and logistically this makes it one of the most challenging of jurisdictions. Annually the MHRT conducts

12,000 hearings in more than 700 locations, and deals with over 21,000 applications. The role of the Secretariat - who manage the interface between the hospitals, the practitioners who represent patients and the fee paid members of the Tribunal, many of whom work from home - has become increasingly problematic.

A radical programme has been developed to improve the level of service delivered. Key elements include:

- relocation of the administration out of Central London to Leicester by March 2008. This is a significant reform to the administration which will help improve staff recruitment and retention rates
- introducing experienced managers from other tribunals into the management team
- replacing the existing database which is no longer meeting business needs. On transfer, the Department of Health provided £1.5 million to procure a new IT system to support the work of the caseworkers within the Secretariat
- providing for the electronic movement - starting June 2007 - of documents between the Secretariat and its three principle stakeholder groups - hospitals, solicitors and tribunal members
- setting up a customer service team to handle all complaints
- introduction of judicial case management.



#### SPECIAL EDUCATIONAL NEEDS AND DISABILITY TRIBUNAL (SENDIST)

SENDIST's average waiting times were 22.5 weeks compared to the target of 19 weeks. An improvement plan was instigated during the year which included targeted deployment of temporary staff, new arrangements for managing workloads including transfer of listing from the Tribunal's London centre to Darlington, a programme to reduce the overall level of staff sick absence and help with clerking from other tribunals. The plan contributed to improved performance in February and March.

#### OTHER TRIBUNALS

We missed our waiting time performance target for the relatively new jurisdiction of the Adjudicator to HM Land Registry having received significantly more appeals than expected. Elsewhere performance was generally above target with year-on-year improvements seen in a number of areas (See Annex C).

### Customer consultation and satisfaction

Before the formation of the Tribunals Service in April 2006, individual tribunals carried out their own customer satisfaction surveys either internally or externally using a professional contractor. In the autumn, the Tribunals Service Executive Team agreed a strategy to standardise future consultation arrangements: a single national customer satisfaction survey to provide independent and robust information from our users via quantitative and qualitative research. The enhanced customer satisfaction survey will provide a valid performance measure, inform policy-making and drive improvements.

### Charter Mark

We have committed to retaining Charter Mark accreditation in those parts of the business that currently hold the award and, in the longer term, achieving accreditation for all of our jurisdictions.

First of these to be assessed was the Asylum and Immigration Tribunal (AIT), which saw an overall improvement since 2005. Across the 63 elements tested, we demonstrated a 48% improvement in the strength of evidence submitted. All AIT hearing and support centres submitted local applications. Each successfully demonstrated continuous improvement in customer service provided and retained their Charter Mark accreditation.

In February, the Employment Tribunals and Employment Appeal Tribunal also successfully completed their annual Charter Mark surveillance. Whilst demonstrating that our service delivery continues to comply with the requirements of the Charter Mark standard, two areas of best practice were also identified: the involvement of all parties and stakeholders in the Change Programme; and the continuing high level of customer satisfaction.

The Executive Team also agreed an overarching approach to achieving organisation-wide Charter Mark accreditation by 2010-11. This is being developed as part of a wider customer service strategy.

**“We are committed to  
retaining Charter Mark  
accreditation”**





## Complaints and feedback

By the end of August we had developed and implemented a new organisation-wide procedure to make it easy for customers to give us their feedback - whether positive or negative - on the service they receive.

We also:

- developed a computerised complaints monitoring system
- produced a unified customer feedback information leaflet
- produced a complaint handling guide for staff.

For the period September 2006 - March 2007, we dealt with 1,941 complaints, of which 92.1% were processed within 10 days against a target of 90%. We also received 302 comments and suggestions and 1,106 compliments over the same period. We are now reviewing these results in an effort to standardise performance across the Service and in particular to investigate and improve areas where our customers consider that our service fails to meet their expectations. We also aim to share best practice across tribunals where our customers tell us we are delivering a high quality service.

## Diversity

A Tribunals Service Diversity Manager has been appointed to ensure diversity is embedded across the Tribunals Service. Our aim is both to provide advice and guidance, and to ensure compliance with equality and diversity legislation.

In assessing the Tribunals Service estate, a priority has been to identify and address any sites which do not provide suitable access and facilities for people with special needs and mobility problems. Our most problematic site (the Employment Tribunal venue in Dundee) will be replaced with new premises by summer 2007. A Tribunals Service Venue Design Guide is being prepared to ensure accessibility standards are adhered to throughout the Service.

We have worked with the Ministry of Justice and Her Majesty's Courts Service (HMCS) to ensure suitable procedures and funding are in place to address any special needs and reasonable adjustments required by staff and the judiciary under the Disability Discrimination Act. Referrals are managed centrally by a corporate Health and Safety Team to ensure consistent and prompt action, and comprehensive guidance was issued to all sites to ensure this system was understood.

We will continue to work with the Ministry of Justice's Equality, Diversity and Human Rights Directorate to develop Race, Disability, Gender, Age and other Schemes which encompass the Tribunals Service.

“...procedures and funding are in place to address any special needs and reasonable adjustments required by staff and the judiciary under the Disability Discrimination Act”

## SECTION THREE

Performance against  
objective two

How have we developed the  
capability of the organisation  
to deliver reform?

Our creation in April 2006 was the first major step in reforming the tribunals system. One of the key tasks for our first year was to put in place the structures necessary to take the next big steps in building an efficient, customer-focused Tribunals Service.

“the best balance between reducing operational costs, improving customer service and minimising staff levels was agreed by the Tribunals Service Management Board in February 2007”

## Tribunals, Courts and Enforcement Bill

The Tribunals, Courts and Enforcement Bill contains provisions for a new judicial and legal framework to complement the common administrative arrangements of the Tribunals Service, including:

- the creation of two new tribunals, the First-tier Tribunal and the Upper Tribunal, into which most existing tribunal jurisdictions will be transferred
- bringing the tribunal judiciary together under a Senior President, putting that office on a statutory footing and creating the new offices of Tribunal Judge, Tribunal Appeal Judge, Tribunal Member and Tribunal Appeal Member
- permitting the flexible deployment of Judges and Members across jurisdictions and the creation of judicial ‘chambers’ each with responsibility for a range of related jurisdictions
- establishing a consistent approach to onward appeals
- creating a Tribunal Procedure Committee to bring greater consistency to tribunal procedure rules
- transforming the Council on Tribunals into an Administrative Justice Council, with a wider remit to keep the administrative justice system as a whole under review.

The Bill was published in draft on 25 July 2006 and introduced in the House of Lords on 16 November 2006. At the time of writing Royal Assent is expected before the 2007 summer recess.

## Development of a new business model for operational delivery

In anticipation of the reforms that will flow from the Bill, all tribunal jurisdictions were analysed to identify areas of commonality and any constraints to integration. A series of options for a new delivery model were then developed, and the option that struck the best balance between reducing operational costs, improving customer service and minimising staff displacement was agreed by the Tribunals Service Management Board (TSMB) in February 2007.

The new model will be gradually put in place over the next five years and consists of three key components:

- the development of a network of **multi-jurisdictional Hearing Centres** in major towns and cities providing more flexibility for customers and making the most efficient use of premises
- the implementation of 6 **multi-jurisdictional Administrative Support Centres** to move ‘back office’ and common support service operations away from high cost locations in London and allow for the creation of efficient and effective common information and administration systems
- the establishment of a **regional management structure** to operate the new model.

We are now putting in place a change programme to deliver the new model. Work to define the Hearing Centre network continues, and we have started to identify and progress early opportunities to co-locate operational offices and integrate services.

## Tribunals Service regional management structure

We have agreed upon a new regional structure - to be implemented in 2007-08 - promoting a greater focus on front line delivery to customers and providing enough flexibility to enable delivery of the long-term reform agenda and its associated change programme.

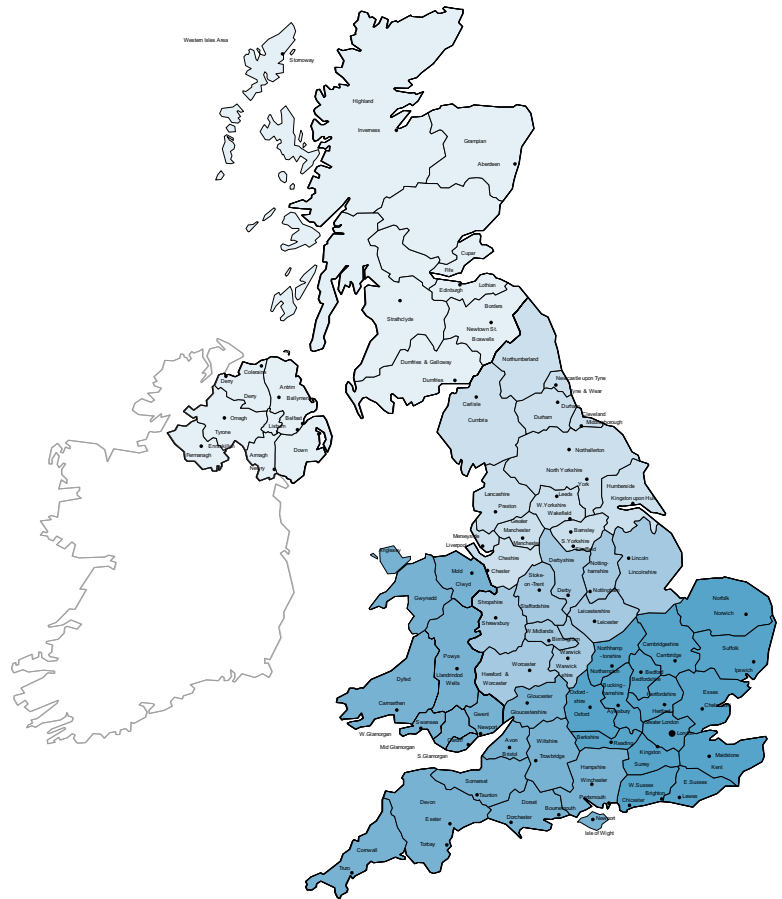
The structure will divide our operations across the United Kingdom into two regions each with three areas as follows:

- **North** - Scotland and Northern Ireland, Northeast & Northwest, Midlands
- **South** - Wales and Southwest, Greater London & Southeast, Central London.

Senior management responsibilities within the new structure have been defined and proposals for corporate and shared services have been agreed. This will include the creation of a Judicial Office bringing together all aspects of work in supporting the Senior President and dealing with judicial issues currently undertaken across the organisation. The re-structuring of the Finance & Resources Directorate will include the development of a centralised shared service transaction centre. This will be located in Bristol and is in line with our policy of moving non-customer facing roles out of London & the South East wherever possible.

Initially we expect the restructuring will deliver a reduction of around 20 senior management posts and 50 corporate services posts.

Map showing Tribunals Service regional management structure



### KEY

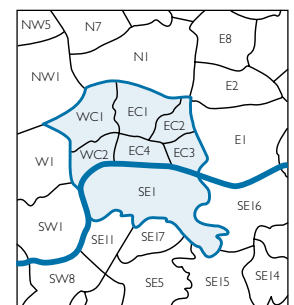
#### Northern Region

- Scotland and Northern Ireland
- North-West and North-East
- Midlands

#### Southern Region

- Wales and South-West
- Greater London and South-East

#### Central London Administrative Area





## “Efficiencies amounting to £15m have been achieved in the first year of the Tribunals Service’s operation”

### Financial resources

A financial settlement has been agreed with HM Treasury and Ministry of Justice for the next four years. It provides investment funding of £27m for our modernisation plans which will deliver £54.7m in savings across administrative and judicial areas, including the rationalisation of the estate and our overall modernisation plans.

This year the Tribunals Service has taken a two pronged approach to identifying opportunities to work more efficiently. An Efficiency Director has been appointed to examine ‘quick wins’, looking particularly at goods and services expenditure and ways in which an enhanced procurement approach could reduce spend. Efficiencies amounting to £15m have been achieved in the first year of the Tribunals Service’s operation without compromise to the service we provide to our customers. This was largely achieved through economies of scale and removing duplication across corporate functions.

The £15m is not apparent when comparing the cost of operations for 2006-07 with 2005-06 in the Income and Expenditure Account, which shows an increase in net cost of operations of £4.7m (from £282.1m in 2005-06 to £286.8m in 2006-07). This is because the prior year comparative figures do not include certain departmental overheads of previous tribunal sponsors.

Our asset base has increased by £5m from £26m to £31m. This is largely due to the transfer in of assets previously accounted for in the accounts of HMCS. Our amount due to creditors has fallen from £77m to £49m. This reduction is due to the settlement of liabilities of £59m within the DCA family which had accumulated at the end of 2005-06. The creditor amount for 31 March 2007 includes transactions within DCA for February and March 2007 which amount to £23m.

### COMMON COSTING MODEL

In the last year we have been looking to establish the cost of common work processes across jurisdictions. A common costing model will allow us to balance resource allocation more accurately and ensure that service standards are consistent, both between jurisdictions and geographically. It will also support the introduction of benchmarking across locations and lead to shared best practice and improved productivity. Thus far a pilot exercise has identified and measured a range of common work processes across jurisdictions. We intend to extend this pilot and develop new measures to allow us to balance resource allocations more accurately and ensure that service standards are consistent.

### FEE CHARGING

Fees are currently charged for certain types of appeal to the Asylum and Immigration, Lands and Gambling Tribunals and the Gender Recognition Panel. During the year we have reviewed the circumstances where it may be appropriate for those using tribunals to bear the cost rather than the taxpayer. These are likely to be where fees are charged by the original decision maker, where the case is commercial in nature, and where fees are charged for similar proceedings in the civil courts.

During the coming months we will be developing this approach further. Particular attention will be paid to ensuring that any fees charged do not hamper access to justice or cause financial hardship.

### Estates

We inherited a large and varied estate from six different Government Departments. A database was compiled containing information on each site’s size, tenure, cost, utilisation and condition. Analysis of this information formed the basis of a bid for investment to produce a modern, customer-focused estate and reduce estate costs.

A first draft Estates Strategy for the Tribunals Service has been produced and will be refined further during 2007-08 to reflect the development of our business delivery model. An underlying principle of the Strategy is that all venues should be considered as Tribunals Service venues rather than venues specific to individual jurisdictions.

We started out with multiple venues at a number of geographic locations; a situation providing no benefit to customers but adding to the underlying cost of the Service. Sites were released in Brighton and Carlisle by co-locations of ETS and SSCSA, and in North Shields where SSCSA will utilise the AIT's venue. Further co-locations in Dundee and Nottingham are scheduled for early 2007-08 and others beyond.

The Tribunals Service has commitments arising from the Lyons Review to reduce the number of staff based in the London area. We have committed to move as much of our non-customer facing work (including our HQ) out of London as soon as possible, whilst recognising that around 25% of all appeals arise in the London area leaving a significant requirement for hearing facilities.

Prior to the formation of the Tribunals Service, only AIT, ETS and SSCSA had a national network of permanent venues; other jurisdictions depended on ad-hoc hirings to provide local hearings. Co-operation between Tribunals started prior to the formation of the Tribunals Service but sharing of hearing and related accommodation has increased significantly during the year, with some smaller jurisdictions now hearing all their cases within Tribunals Service or wider HMCS/Ministry of Justice accommodation. We recognise that there will always be a dependence on some use of non-Ministry of Justice estate in remote areas - especially Scotland - but such use has reduced significantly. From April 2006, schedules for venues with local contact points were issued on our intranet to facilitate accommodation sharing.

Our estate as at 31 March 2007 consists of 133 permanent sites. All comply with the requirements of the Disability Discrimination Act other than the soon-to-be-redundant venue in Dundee. We acknowledge that there are some small sites where disabled access is not ideal, for example, wheelchair access is only possible via a secondary entrance. It is our aim that all users should have suitable access via the main entrance and this requirement will be incorporated into the development of our network of hearing centres.

### Review of tribunal members' terms and conditions

The process of integrating tribunal jurisdictions has highlighted significant variation in the employment terms and conditions for both legal and non legal members.

A review of members' terms and conditions was commissioned in October 2006. The review will include all the tribunals that currently comprise the Tribunals Service in addition to all tribunals due to join on or before 1 April 2008. Its aims are:

- to review the terms and conditions of tribunal judiciary including fees and travel and subsistence
- to formulate a framework of appropriate terms and conditions
- to agree transitional arrangements for existing judiciary
- to facilitate the creation of the single judicial office as provided for in the Tribunals, Courts and Enforcement Bill.

A Project Board and Policy Board have been established, each consisting of both officials and judicial representatives, and the Senior Salaries Review Body has agreed to review judicial salaries and fees for the new structure, reporting in 2008.

**25%**  
of all appeals arise  
in the London area

**133**  
The number of  
Tribunals Service  
permanent sites

## “The Department’s ‘DISC’ IT refresh programme will deliver a fully integrated infrastructure across all of the tribunals in the course of 2007-08”

### Review of the role of non-legal members

The White Paper ‘Transforming Public Services: Complaints, Redress and Tribunals,’ identified the need to review the role of non-legal members. It identified three key issues:

- what precisely the role of non-legal members should be
- whether in fact it is desirable for a tribunal to have a particular expert on the panel as opposed to being available as a witness for the tribunal
- what role non-lawyers can and should play in the new alternatives to formal hearings, which the Tribunals Service intends to develop.

The Rt Hon. the Baroness Ashton of Upholland, Parliamentary Under-Secretary of State at the Department for Constitutional Affairs (now Ministry of Justice), announced the Review itself in her speech to the Council on Tribunals Annual Conference on 15 November 2005.

The aims of the Review were:

- to document the existing use of the different types of member across the tribunals that will be administered as part of the Tribunals Service, including legal framework, qualifications, numbers, cost, demographic breakdown, and frequency of sitting
- to identify any need for changes to remuneration, terms and conditions
- to identify what different tribunal members, government departments and other stakeholders and users of the system consider non-legal members bring to tribunal proceedings
- to make recommendations as to the most effective and efficient way of using the totality of judicial resources available to the Tribunals Service, including the potential for utilising non-legal members across tribunal jurisdictions.

An initial data-gathering exercise, completed in June 2006, collected detailed information about non-legal members across a wide range of tribunals, not just those that form part of the Tribunals Service.

This was followed up with a series of discussion groups with both non-legal and legally qualified members from a cross-section of tribunals, held over the summer of 2006. The discussions, chaired by Baroness Ashton, raised a number of issues about the future role and deployment of non-legal members.

The findings from the data-gathering exercise and the discussion groups will help to inform proposals about the future of non-legal members. We will set out these proposals in a paper and will consult widely on them. The paper, which will pick up a range of wider issues on the implementation of the Tribunals, Courts and Enforcement Bill, is planned for the autumn.

### IT services

The Tribunals Service inherited a range of IT systems with different support and supplier arrangements, and our aim is to rationalise these over time.

The Ministry of Justice provides us with core office productivity IT services as a shared service. Their ‘LINK’ network has already been rolled out across most tribunals. The Department’s ‘DISC’ IT refresh programme will deliver a fully integrated infrastructure across all of the tribunals in the course of 2007-08.

#### CASE MANAGEMENT SYSTEMS

IT-driven case management systems are important to ensure that customers can have their appeals processed smoothly and efficiently and be kept informed of progress.

Over time, we intend to move towards a single case management system to serve the whole of the Tribunals Service. We have begun to identify the series of projects and initiatives that will develop our IT portfolio in support of this aim.

A unified case management system is unlikely to be available for several years. In the meantime, existing case management systems will be retained, developed and supported.

The Employment Tribunals 'Caseflow' project continues its development towards providing electronic management of claims including inter-working between the administration and the judiciary. During the year, we have finalised the various user requirements, including those of the Advice Conciliation and Arbitration Service (Acas), our partner in this development.

#### MANAGEMENT INFORMATION

Given that a unified case management system will not be ready for some time, an interim management information system will be developed to draw together key information from across the tribunals and make it available for performance reporting. The system will be based on a data warehouse structure, with all information housed in one place and accessible by anyone in the Tribunals Service. It is expected towards the end of the 2007-08 financial year.

### Equal Opportunities and Human Resources

The Tribunals Service is committed to equality of opportunity in employment and advancement. This is on the basis of ability to do the job, irrespective of race, nationality, colour, ethnic or national origins, sex, marital status, disability, sexual orientation, age, gender reassignment, work pattern, or membership/non-membership of a trade union. All staff are entitled to be treated with respect in an environment free from discrimination, harassment, victimisation and bullying.

The Tribunals Service recognises, respects and values the diversity of the society it serves and aims to serve the interests of people from all sections of society.

HR services, including Learning and Development, are provided by the Ministry of Justice as shared services led by the Tribunals Service HR Director, who is a member of our management board. Four HR Business Partners - one each for the AIT, SSCSA, ETS and the Tribunals Development Group - work to ensure that services have been delivered to the required standard. HR Business Partners work closely with senior managers in each of the tribunal jurisdictions to provide strategic HR support and to commission services from the corporate HR Directorate.

The HR policies of the Ministry of Justice have been introduced across the Tribunals Service to promote consistent and effective management of staff. A series of HR policy workshops were delivered by the Tribunals Service HR Business Partners to all managers in the Tribunals Service.

The Tribunal Service attaches considerable importance to ensuring the fullest involvement of our staff in delivering its aims and objectives. We recognise that the involvement of our staff is critical to us achieving our plans to transform the Tribunals Service.

We have appointed a Head of Communications who will continue to develop communications strategies, processes and systems that support our aim to proactively engage more effectively with our staff.

Investment in business skills and technical training has continued in each jurisdiction to ensure people are equipped with the skills required to deliver improved service to our customers. Learning and Development is provided both by the corporate HR Learning and Development Team and local trainers. Opportunities for managers to develop People Management skills have been delivered by the HR Learning and Development team.



The Professional Skills for Government (PSG) frameworks are also an integral part of the Ministry of Justice performance management system which will be implemented across the Tribunals Service from 1 April 2007. Training for the new performance management system was conducted during February and March 2007.

#### FUTURE LEADERS

We launched a Future Leaders Scheme to identify people with potential to develop the operational delivery skills that we will need in the next generation of tribunal managers. Candidates for the Scheme are assessed using the PSG frameworks. So far five people from a range of tribunals and grades have been successful in obtaining entry to the scheme.

#### MANAGING STAFF ATTENDANCE

A working group was set up to develop new controls and processes to manage attendance. Using existing Ministry of Justice guidance alongside best practice procedures in place across the Tribunals Service, new controls and processes have been rolled out to all sites. The new procedures will also promote health awareness. A Tribunals Service Health Awareness Officer has been appointed and regional Attendance and Wellbeing Champions are in place. Training and awareness sessions have been delivered to all Line Managers and the new controls and procedures are now in place to manage attendance levels for 2007-08.

### Sustainable Development

A Tribunals Service Sustainable Development Committee was set up to raise the profile of this issue. Our Chief Executive is the Departmental Champion for Sustainable Development issues and we are piloting an Environmental Management System across a number of different sites.

This will encompass recycling, transport, energy consumption and water usage. Communication and awareness are also a priority; posters have been produced, information on initiatives undertaken by initial sites is being collated and a dedicated web-page is being finalised.

Our main aims are to:

- be more efficient and effective in our use of natural resources
- show long-term efficiency savings
- reduce the harmful impact of pollution and waste
- reduce the impact of hazardous substances on human health and the environment
- encourage innovation.

### Health and Safety

During this first year a priority has been to ensure consistency of approach to health and safety in accordance with corporate policy: In this respect:

- we have drafted a comprehensive new Tribunals Service Health and Safety (H&S) manual which has been circulated to managers. Feedback has been very positive. A series of circulars was issued in advance of the full guidance to raise early awareness of issues such as accident reporting
- a series of one day courses for senior site managers was organised to raise awareness of legislative responsibilities and to help them to organise the day to day monitoring and reporting of H&S
- four-day training courses for nominated H&S co-ordinators at most sites have been arranged
- all sites were required to complete a self assessment against a number of H&S criteria which will inform an action plan for 2007-08.



## SECTION FOUR

Performance against  
objective three

How have we dealt with  
appeals in more effective  
and efficient ways?

The Government's 2004 White Paper *Transforming Public Services: Complaints, Redress and Tribunals* envisaged an administrative justice system that would:

- promote the development of a range of tailored dispute resolution services, so that different types of dispute can be resolved fairly, quickly, efficiently and effectively, without recourse to the expense and formality of courts and tribunals where this is not necessary but;
- also deliver cost-effective court and tribunal services, that are better targeted on those cases where a hearing is the best option for resolving the dispute or enforcing the outcome.



## Early dispute resolution project

The early dispute resolution project currently consists of two pilots. These pilots are designed to test whether alternative dispute resolution techniques can be effective in resolving tribunal cases and to make recommendations about the role of these techniques as a future mainstream service.

A judicial mediation pilot was launched in three Employment Tribunal offices in August 2006. Judicial mediation involves a trained member of the judiciary providing facilitative mediation with the aim of assisting the parties in resolving their dispute without the need for a hearing. The pilot is ongoing and a full independent evaluation is being conducted, the results of which is expected in early autumn 2007.

The second pilot will operate in the SSCSA and involves a designated member of the judiciary providing neutral evaluation with the aim of identifying early opportunities to resolve the case. The pilot is expected to operate in the Sutton tribunal office for a provisional period of six months starting in the summer of 2007. This pilot will also be independently evaluated with the results likely in the spring of 2008.

## Working with initial decision makers and legislators

Annex E sets out the proportion of original decisions overturned by tribunals. These figures support the case for working with original decision makers to improve the quality of original decisions, and for legislative change where the existing end-to-end process is showing itself to be an inefficient way of delivering a just outcome.

## SOCIAL SECURITY AND CHILD SUPPORT APPEAL TRIBUNALS

The President of Appeal Tribunals, His Honour Judge Michael Harris, has a statutory duty to report annually on the standard of decision-making achieved by the Secretary of State for Work and Pensions. He does so by reporting on a random sample of cases that come before tribunals and providing quarterly updates of the outcomes directly to the first tier agencies. A full report is then presented to the Secretary of State for Justice.

The Disability and Carers Service (DCS) has an ambitious and energetic programme designed to improve the accuracy of its decision making. There is strong evidence to show that the programme is delivering real improvements in both speed and quality. We commend this approach, which sets a benchmark for first tier decision makers to aim for.

At the invitation of DCS we worked with them on their programme to improve original decision making, and thus reduce the number of cases referred to the Tribunal. With assistance from the judiciary we analysed 100 cases and produced statements to help DCS re-examine them. Recommendations arising from the exercise concerning the handling of further evidence and the reconsideration process were taken forward by DCS in the form of a pilot at one of their main processing sites. Other improvements included:

- e-mailing decision notices to DCS, reducing processing times by 5-10 days and improving the end-to-end experience for users. This policy has since been adopted in other DWP Agencies
- reducing the number of cases being marked as 'complex'. Such cases are sent for interlocutory advice and usually result in a Presenting Officer being

directed to attend and a longer process time. Tribunal judiciary produced a clear definition of what should constitute a 'complex' case and this has speeded up cases and reduced unnecessary work, both for DCS and the tribunal

- the Tribunal judiciary working with DCS to improve the quality of submissions and a new style submission is also currently being piloted. Early indications via feedback forms issued to Chairmen are that standards have improved.

This demonstrates the effectiveness of collaborative working and The Tribunals Service and DCS have agreed - at Chief Executive level - to set in train activity to measure the end-to-end process time from the users' perspective. This information will be used as a benchmark for future joint initiatives aimed at reducing waiting times.

#### ASYLUM AND IMMIGRATION TRIBUNAL

The Asylum and Immigration Tribunal (AIT) plays a full part in the joint delivery arrangements with the Immigration & Nationality Directorate (now the shadow Borders & Immigration Agency) and UKvisas to ensure the timely and effective disposal of immigration and asylum appeals. This relationship is also reflected in the performance management framework set by joint Public Service Agreements at Departmental level.

A streamlined Entry Clearance Officer (ECO) appeals process was developed jointly, and has now been rolled out to overseas visa posts. The ECO Streamlining project has achieved its aim of removing 7-8 weeks of unnecessary delay from the process of lodging an immigration appeal at an embassy outside of the UK. Work is ongoing to identify other possible gains where appropriate.

#### EMPLOYMENT TRIBUNALS

The Employment Tribunals (ETs) differ from administrative tribunals in that they resolve disputes between private parties, rather than between the citizen and the state. However, we collaborate with the Department for Trade and Industry (DTI) and the Advice Conciliation and Arbitration Service (Acas) to ensure that the employment tribunals system remains simple and efficient for users. We worked closely with the DTI on its independent review of the Dispute Resolution Regulations - the outcome of which was announced in March - and the subsequent consultation document.

#### OTHER TRIBUNALS

The Transport Tribunal is liaising with the Driving Standards Agency on appeals that may arise from new Check Tests and Hazard Perception Tests for driving instructors.

The Lands Tribunal is liaising with the Department of Communities and Local Government and other relevant agencies regarding appeals that may arise from development work for the London Olympic Games.

Representatives of the Adjudicator to HM Land Registry meet monthly with HM Land Registry officials to discuss workload throughput.

The Pensions Appeal Tribunal works with the Veterans Agency to make changes and improvements to processes.

The judicial and administrative heads of the Finance & Tax Tribunals meet regularly with officials from HM Revenue & Customs to discuss tax appeals matters.

**“The Lands Tribunal is involved in discussions regarding appeals that may arise from development work for the London Olympic Games.”**



Image supplied by London 2012



## SECTION FIVE

### The Future

#### What do we aim to achieve in the forthcoming year?

Since its creation in April 2006, the Tribunals Service has pressed ahead with a challenging agenda of reform in addition to fulfilling its objectives of continuing to maintain and improve current standards of service. The cornerstone of the reform agenda is the Change Programme that has been developed over the course of the year to date, implementation of which will start in 2007-08.



The Change Programme aims to deliver better services to users more efficiently and at lower cost while continuing to enable justice to be done. It will be comprised of:

- a new business delivery model to create an integrated organisation with a number of multi-jurisdictional hearing centres providing customers with a single point of access for a range of tribunals services
- the focusing of all administrative processing in a small number of Administrative Support Centres located outside of London and the South East to improve efficiency and service to customers
- new Estates and IT strategies to move away from jurisdiction-focused arrangements and build an infrastructure that supports the multi-jurisdictional business model and improves service to customers
- transition to a regional management structure in place of the current jurisdictional management arrangements, offering greater flexibility and efficiency in both estates utilisation and staff deployment
- re-organisation and streamlining of corporate services to support the new business model and management structure, and to release resources to front line services
- building the policies and practices needed to ensure that our people are able to deliver the services needed for the new structure.

## Strategic Plan and Vision

We have published a Strategic and Business Plan for 2007-08, setting out our vision and strategic objectives. This can be viewed at: [www.tribunals.gov.uk/publications.htm](http://www.tribunals.gov.uk/publications.htm)

Our vision is:

“To deliver an efficient, independent and user-focused Tribunals Service”

with the aim of transforming tribunals progressively between now and the end of the period covered by the Comprehensive Spending Review, as shown in the table below.

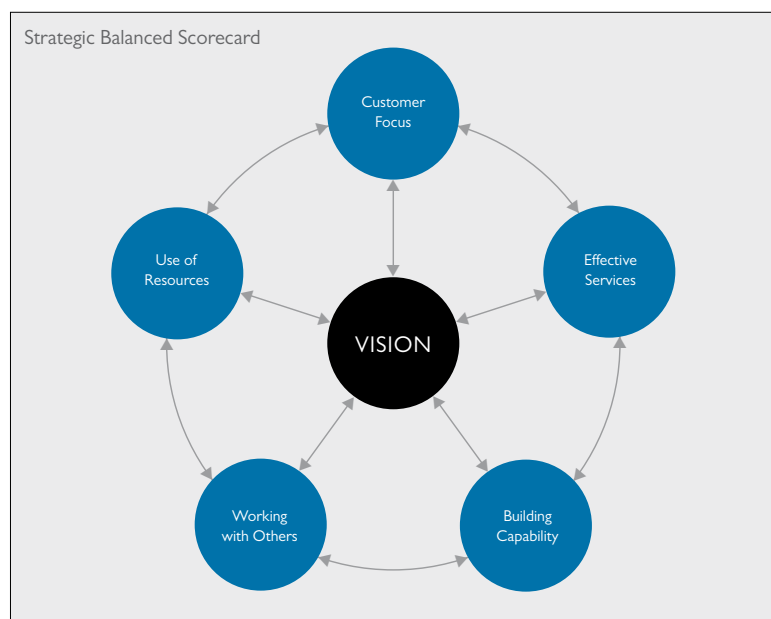
The Past (2005)	The Future (2011)
Assorted tribunals often sponsored by original decision makers	<b>Unified Tribunals Service</b> independent of original decision makers
23 distinct tribunal jurisdictions each with own judiciary	<b>Two generic tribunals (First-tier/Upper)</b> to which most jurisdictions have been transferred, and judicial expertise shared across the system
Case processing in 40 locations	<b>Six administrative support centres</b> providing effective services at reduced cost to tax payers
136 single tribunal hearing centres, many under-used and of poor quality	<b>40 multi-jurisdictional hearing centres</b> in major towns and cities making more services available at a single centre for our customers
Jurisdiction-based management structure	<b>Regional management structure</b> , with two regions each subdivided into three areas, that promotes consistent service and avoids duplication of management responsibilities
Around 2,934 staff, 84% of whom are in front line services	<b>Around 2,400 staff</b> , 90% of whom are in front line services
Various incompatible IT infrastructures	<b>Single IT network</b> providing efficiencies of scale and a base for electronic case management systems and user e-services
No alternative dispute resolution processes available other than in Employment tribunals	<b>Proportionate dispute resolution processes</b> providing customers with solutions that are appropriate for the issue at stake

**“Our vision is to deliver an efficient, independent and user-focused Tribunals Service”**

## Strategic Objectives

We will set out to achieve our vision through 5 strategic objectives:

- delivering effective services within the tribunals
- focusing on customers and the wider community
- making efficient use of available resources and infrastructure
- building our capacity to deliver by unlocking our people’s potential
- working effectively in partnership with the judiciary and others.



## Development of key performance indicators

We have reviewed our existing performance indicators and developed a set of overarching Key Performance Indicators (KPIs) that can be applied across all jurisdictions. These KPIs have been chosen as the most reliably measurable indicators that the Tribunals Service is succeeding in delivering on its objectives.

The KPIs will be introduced across the organisation during 2007-08 and will be underpinned by a number of supporting indicators. Many existing performance measures will be retained for individual tribunals.

## New and transferring tribunals

Two new tribunal jurisdiction implementations are planned for the near future: the Charity Tribunal in January 2008 and the Consumer Credit Appeals Tribunal in April 2008.

The transfer programme for 2007-08 is still being finalised. We have however agreed with DTI that the Estate Agent Appeals Tribunal will join us in April 2008.

## SECTION SIX

### Governance

What are our governance arrangements?



## Tribunals Service Board

The Tribunals Service Board (the Board) provides strategic oversight and direction to the agency.

The Board undertakes the following activities to support the Chief Executive:

- leads and oversees the process of change and innovation to ensure strategic business delivery
- agrees and reviews achievement against Strategic and Business Plans to achieve the Tribunals Service's (and wider Ministry of Justice) strategic aims and objectives
- advises on allocation of the Service's financial and human resources to achieve those aims, and review and scrutinise their management
- ensures delivery of excellent services to tribunal users
- ensures compliance with the Freedom of Information Act and other guidance on information handling, including prompt response to public requests for information
- ensures that the agency operates sound environmental policies and practices in accordance with Government guidance
- assesses and manages risk
- complies with corporate governance principles.

The members of the Board during the year to 31 March 2007 were:

**Peter Handcock CBE**  
Chief Executive and Chair

**Jeanne Spinks**  
Deputy Chief Executive/Director of Operations

**Martin John**  
Director of Asylum and Immigration

**Guy Tompkins**  
Director of Tribunals Development Group

**Paul Stockton**  
Director of Reviews and Legislation

**Valerie Vaughan-Dick**  
Director of Finance and Resources

**Norman Egan**  
Head of Field Operations SSCSA/ETs

**Janette Durbin**  
Human Resources Director

**The Rt Hon. Lord Justice Carnwath CVO**  
Senior President

**The Rt Hon. the Lord Newton of Braintree OBE, DL**  
Council on Tribunals

**Francis Dobbyn**  
Non-Executive Director

**Annette Kelleher**  
Non-Executive Director

**John Butler**  
Non-Executive Director

## Tribunals Service Executive Team

The Executive Team is responsible for the day-to-day operational management of the agency to ensure it delivers against its objectives and key performance indicators.

The members of the Executive Team during the year to 31 March 2007 were:



**Peter Handcock CBE**  
Chief Executive and Chair



**Jeanne Spinks**  
Deputy Chief Executive/  
Director of Operations



**Martin John**  
Director of Asylum and Immigration



**Guy Tompkins**  
Director of Tribunals Development  
Group



**Paul Stockton**  
Director of Reviews and Legislation



**Valerie Vaughan-Dick**  
Director of Finance and Resources



**Norman Egan**  
Head of Field Operations  
SSCSA/ETs



**Janette Durbin**  
Human Resources Director

Carol Brooke (IT Business Partner) Lorna Windmill (Head of Customer Strategy) and Joan Watson (Head of Communications) also attended Executive Team meetings as required.

## Tribunals Service Audit Committee

The Tribunals Service Audit Committee supports the Tribunals Service Chief Executive in the discharge of his responsibilities for the management of resources and assets, financial reporting, audit arrangements, risk management, control, governance and associated assurance.

Members of the Audit Committee during the year to 31 March 2007 were:

**Francis Dobbyn**

Non-Executive Director and Chair

**John Butler**

Non-Executive Director

**Howard Cressey**

External Member

**Mike Hathorn**

External Member

The Chief Executive is not a member of the Committee but attends its meetings, as do the Director of Finance and Resources, a representative of the Head of Internal Audit and of the external auditors (the National Audit Office).

No committee member had any other directorship or significant interest which conflicts with their responsibilities as a member of the Tribunals Service Audit Committee.

The committee maintains a forward agenda and met four times during the financial year at quarterly intervals.

## Directorships and other significant Interests

A register is maintained by the Tribunals Service that includes details of company directorships and other significant interests held by Board members which may conflict with their management responsibilities. This register is available for public inspection upon request.

## Review of Governance

Towards the end of the year an independent review of Tribunals Service governance was commissioned focusing on the Board, the delivery of change and the Programme and Project Office.

The review acknowledged many positive governance arrangements already in place and further improvements already planned or in hand, including the introduction of the new regional structure (which provides greater clarity of roles, responsibilities and accountabilities and better alignment with Tribunal Service objectives) and a rationalisation of meeting structures.

It also made a number of recommendations for further improvement which were accepted by the Tribunals Service Board, some of which have already been implemented. Examples included:

- appointing a Change Programme Manager and initiating a single integrated change programme to take strategic change forward, incorporating or closing down the plethora of existing individual projects
- subject to their agreement, making greater use of the talents/experiences of Non Executive Directors, particularly in relation to strategic change
- building on the good progress already made on risk management by ensuring that risk management approaches already defined are properly embedded throughout the business
- ensuring effective mechanisms are in place so that resources are allocated/re-allocated in line with business priorities/ changing priorities
- building on the good progress already made by the Programme and Project Office in programme and project management by further developing the Tribunals Service approach, including approval and assurance processes.

We also commissioned an independent review of our risk management policy and processes. As a result, we are developing an action plan to introduce consistent procedures that will embed a culture of risk management that will enable us to effectively and efficiently plan and mitigate risks to us meeting our objectives. We have also undertaken a review of our internal control frameworks which we have inherited from our various constituent business areas and, during 2007-08, we will be rolling out a new cross-Tribunals Service risk-based framework.

## Relationship with the Council on Tribunals

The Tribunals Service and the Council on Tribunals have developed a close working relationship which respects the statutory independence of the Council. The Service provides assistance and information necessary for the Council to carry out its statutory functions of keeping under review, and reporting on, the constitution and working of the tribunals within its oversight and the Council provides feedback to the Tribunals Service on the workings of the particular tribunals it oversees. This partnership will continue as the Council evolves and begins to take a broader interest in the administrative justice landscape as a whole, as envisaged in the White Paper.

The Council supported the creation of a unified tribunal service as a major step in achieving real independence for tribunals, and has been closely involved in the implementation process. The Council's Chairman is an *ex-officio* member of the Tribunals Service Management Board and plays an active part in meetings of the Tribunals President's Group. Council members also sit on the Steering Boards that have been established to oversee the operation of each of the transferred tribunals. Despite these close links the Council continues to provide constructive challenge to the Tribunals Service on a wide range of issues, including legislation, reform plans and operational performance.

A valuable link with the Senior President has also been established by the Scottish Tribunals Forum, which includes representation from the Council's Scottish Committee and was set up to liaise with interested parties on Scottish aspects of tribunal reforms and their implementation. Officials from the Tribunals Service worked closely with the secretariat of the Council on Tribunals in developing those parts of the Tribunals Courts and Enforcement Bill relating to tribunals and inquiries and the creation of the Administrative Justice and Tribunals Council.

## Accounts

The annual accounts of the Tribunals Service for 2006-07 are at pages 33-63. The accounts have been produced in accordance with the accounts direction issued by HM Treasury on 7 March 2007 in accordance with the Government Resources and Accounts Act 2000 and the Secretary of State for Justice on 30 May 2007 in accordance with the Criminal Injuries Compensation Act 1995 and Criminal Injuries Compensation Scheme 2001. The latter accounts direction

is a legacy of the Criminal Injuries Compensation Appeals Panel's previous existence as a non-departmental public body and the need for it to produce its own statement of accounts. The Tribunals, Courts and Enforcement Bill, when enacted, will enable this statutory requirement to be repealed. In the meantime, to meet his statutory obligation, the Secretary of State has issued an accounts direction requiring a statement of accounts for CICAP to be provided as a Note to the Tribunals Service annual accounts (see page 38).

## ACCOUNTING POLICIES

The Tribunals Service adopts the accounting policies of the Ministry of Justice (formerly the Department for Constitutional Affairs) except where the recognition criteria may need to be adjusted to reflect the size and nature of the agency. This is in keeping with the Government policy of achieving consistency of accounting policies across Government to support the integrity of Whole of Government Accounts.

The Head of Financial Accounts is a member of the Ministry of Justice's Accounting Policies Forum which has been created to discuss and develop accounting policies consistently across the Ministry of Justice family.

## GOING CONCERN

The balance sheet at 31 March 2007 shows negative Taxpayers' Equity of £4.9m (2005-06 £42.0m). This also reflects the inclusion of £23.4m net liabilities to other members of the Ministry of Justice Group (2005-06 £59.4m). This also reflects transactions made by other members of the Ministry of Justice Group on behalf of the Tribunals Service for the months of February and March 2007. Future liabilities are to be



financed mainly by drawings from the UK Consolidated Fund. Such drawings will be from grants of Supply to the Ministry of Justice approved annually by Parliament, to meet the Ministry of Justice's Net Cash Requirement. Under the Government Resources and Accounts Act 2000, no money may be drawn from the Fund other than required for the service of the specified year or retained in excess of that need. All unspent monies, including those derived from the Department's income, are surrendered at year-end to the Fund.

In common with other Government departments, the future financing of Ministry of Justice's (including the Tribunals Service's) liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future approvals will not be forthcoming. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

#### PAYMENT TO SUPPLIERS

The Tribunals Service follows DCA (now the Ministry of Justice) policy for payment of suppliers. DCA complied with the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890). DCA policy is to pay bills in accordance with contractual obligations or, where no such conditions exist, within 30 days of the receipt of the goods or services or the presentation of a valid invoice, whichever is the later. For the financial year 2006-07 95.6% of invoices were paid within payment terms based on date of receipt at Liberata, which provides the payment function for the Tribunals Service.

#### PENSION LIABILITIES

Tribunals Service administration staff are members of the Civil Service Pension Scheme. Details can be found in Note 4.1.3 to the annual accounts at page 53. Salaried judiciary are members of the Judicial Pensions Scheme. Details can be found in Note 4.2.3 to the annual accounts at page 53.

#### AUDIT

These accounts have been audited by the Comptroller and Auditor General. The cost of the audit for 2006-07 is £110k (2005-06 £96k). No charge was made for non audit work. So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make him aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Sections 6 and 7 of the Government Resources and Accounts Act 2000 require the Comptroller and Auditor General to examine, certify and report on the accounts before they are laid before Parliament.

## SECTION SEVEN

Remuneration Report  
and Accounts



## Remuneration Report

### Remuneration of Chief Executive and other Board members

This Remuneration Report has been prepared in accordance with section 234B and Schedule 7A of the Companies Act 1985 and the requirements of the Government Financial Reporting Manual (FreM) as issued by HM Treasury. The report provides information on Tribunals Service policy for the remuneration of its Board members and senior managers. It also contains details of the contracts of employment for these individuals along with information relating to their pension benefits.

Ministers with responsibility for the Tribunals Service during the financial year were:

- Secretary of State for the Ministry of Justice and Lord Chancellor - Lord Falconer of Thoroton
- Parliamentary Under Secretary - The Rt. Hon. Baroness Ashton of Upholland
- Parliamentary Under Secretary - Bridget Prentice MP

Neither this report nor the 2006-07 Tribunal Service annual accounts include any details or amounts relating to ministerial salaries; these are disclosed and reported by the DCA and can be found in the DCA Annual Report and Accounts for 2006-07.

### Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In providing this advice, the Review Body considers a wide range of issues that include:

- the need to recruit, retain and motivate suitably 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 public services, including a requirement to meet the output targets for the delivery of services
- the funds available to departments and agencies as set out in the Government's departmental expenditure limits
- the Government's inflation target
- evidence about wider economic considerations and the affordability of its recommendations.

## Board members' remuneration (audited)

The salaries of the Tribunals Service Management Board members were determined by the Permanent Secretary of the DCA in accordance with the rules set out in Chapter 7.1, Annex A of the Civil Service Management Code.

### TABLE I

Salaries paid to the Tribunals Service Management Board members and benefits in kind they received during the financial year.

Name	Salary - excluding pension contributions (£'000)	Benefits in kind (to nearest £100)	Board Member's Role
Peter Handcock CBE	130-135	900	Chief Executive and Chairman
Jeanne Spinks	105-110	Nil	Director of Operations and Deputy Chief Executive
Valerie Vaughan-Dick	85-90	Nil	Director of Finance and Resources
Martin John	80-85	Nil	Director of Asylum and Immigration
Guy Tompkins	60-65	Nil	Director of Tribunals Development Group
Paul Stockton	80-85	Nil	Director of Reviews and Legislation
Norman Egan	70-75	Nil	Head of Field Operations (SSCSA and ETs)
Janette Durbin	Nil	Nil	Director of Human Resources - MoJ
The Rt Hon. Lord Justice Carnwath CVO	Not applicable	Not applicable	Senior President of Tribunals
John Butler	5-10	Nil	Non-Executive Director
Frances Dobbyn	5-10	Nil	Non-Executive Director
Annette Kelleher	0-5	Nil	Non-Executive Director
The Rt Hon. the Lord Newton of Braintree OBE, DL	Not applicable	Not applicable	Council on Tribunals

#### NOTES TO TABLE I

- Salary includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowances to the extent that it is subject to UK taxation. Performance pay or bonuses are based on an assessment against a consistent set of criteria designed to measure the individual's scale of performance against the objectives and targets as set and agreed by the individual with their manager.
- There were no amounts payable to third parties in respect of board members in 2006-07.
- Where a member was appointed to, or resigned from the Tribunals Service Board during the financial year their salary reflects only the amounts received whilst they were a member of the Board.
- The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.
- Unless otherwise indicated all appointments to the Tribunals Service Management Board were upon creation of the Tribunals Service on 1 April 2006.
- Janette Durbin is employed by, and has her salary and any benefits in kind paid by, the DCA.

**BENEFITS IN KIND**

- The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument. Peter Handcock was allocated an official car from September 2006.

**TRIBUNALS SERVICE BOARD MEMBERS' SERVICE CONTRACTS**

- Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.
- The officials covered by this report are employed on contracts which are open-ended until they reach normal retirement age. 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 Commissioners can be found at: [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

**TABLE 2**

Tribunals Service Management Board members' pension benefits and the cash equivalent transfer values (CETV) of those benefits during and at the end of the financial year.

Name	Real increase in pension at age 60 and related lump sum (£'000)	Accrued pension at age 60 at 31 March 2007 and related lump sum (£'000)	CETV at 31 March 07 (£'000)	CETV at 31 March 2006 (£'000)	Real increase in CETV (£'000)
Peter Handcock CBE	2.5 - 5.0 plus 0 - 2.5 lump sum	60 - 65 plus 0 - 5 lump sum	1,068	946	83
Jeanne Spinks	0 - 2.5 plus 0 - 2.5 lump sum	30 - 35 plus 90 - 95 lump sum	536	516	6
Valerie Vaughan-Dick <sup>2</sup>	0 - 2.5 plus 0 - 2.5 lump sum	0 - 5 plus 0 - 5 lump sum	27	7	16
Martin John	0 - 2.5 plus 2.5 - 5 lump sum	10 - 15 plus 40 - 45 lump sum	153	138	14
Guy Tompkins	5 - 7.5 plus 17.5 - 20 lump sum	20 - 25 plus 60 - 65 lump sum	304	214	85
Paul Stockton	0 - 2.5 plus 0 - 2.5 lump sum	25 - 30 plus 75 - 80 lump sum	598	550	20
Norman Egan	0 - 2.5 plus 0 - 2.5 lump sum	30 - 35 plus 90 - 95 lump sum	669	636	9

**Pension benefits**

- Pension benefits are provided through the Civil Service Pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Price Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

<sup>2</sup> There is an outstanding issue of aggregation of benefits to be resolved with regard to Valerie Vaughan-Dick's previous membership of the Civil Service Pension scheme.

- Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' 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 (but members may commute some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.
- The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. 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). The employer also contributes a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).
- The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60.
- Further details about the CSP arrangements can be found at the website:  
[www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

## Cash Equivalent Transfer Values

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

the scheme. 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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Real increase in CETV

- This reflects the increase in CETV effectively 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.

Signed:



Peter Handcock  
Tribunals Service Chief Executive and  
Accounting Officer

29 June 2007

## Statement of Chief Executive's Responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Tribunals Service (the Agency) to prepare a statement of accounts (the annual accounts) for each financial year in the form and on the basis set out in the Accounts Direction issued by HM Treasury on 7 March 2007. The annual accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency at the financial year-end and of its net cost of operations, recognised gains and losses and cash flows for the financial year.

The Accounting Officer for the Department for Constitutional Affairs has designated the Tribunals Service Chief Executive as the Agency's Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances for which they are answerable, for keeping proper records, for safeguarding the Agency's assets and for preparing the Tribunals Service annual accounts, are set out in the "Accounting Officers' Memorandum" issued by HM Treasury and published in the Government Accounting Manual.

In preparing the Agency's annual accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- observe the accounts direction issued by the Lord Chancellor and Secretary of State for Justice on 30 May 2007 in accordance with section 6 (3) (a) (ii) of the Criminal Injuries Compensation Act 1995 and paragraph 4 of the Criminal Injuries Compensation Scheme 2001
- 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 annual accounts
- prepare the annual accounts on a going concern basis.

## Statement on Internal Control

### 1. Scope of responsibility

As Agency Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Tribunals Service Agency's policies, aims and objectives, set by the Department's Ministers, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

My responsibilities as Agency Accounting Officer are more fully defined in a letter from the Permanent Secretary. This provides that I am responsible to the Minister and accountable to Parliament for the Agency's use of resources in carrying out its functions. In that context I sit on the Departmental Management Board (DMB) which is chaired by the Permanent Secretary and supports the Ministerial Executive Board (MEB) by ensuring delivery of the strategy set by the Secretary of State and Lord Chancellor.

### 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed:

- to identify and prioritise the risks to the achievement of agency and departmental policies, aims and objectives
- to evaluate the likelihood of those risks being experienced and the impact should they be realised
- to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Tribunals Service for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance. The system of internal control in place at the start of the year was in each case as inherited from the constituent parts of the newly created Tribunals Service. Internal Assurance Division, in its Annual Review, gave the opinion that the system provided limited assurance. It also said that this was not intended as a negative assessment, but reflects the current state of maturity of the organisation and the ongoing work to fully define and establish governance, risk management and control arrangements across the agency.

### 3. Capacity to handle risk

The Agency Management Board leads the risk management process, including the formation and update of risk registers. All identified risks are assigned to a senior risk owner and appropriate risk action managers who are accountable for management, mitigation and contingency planning. The strategic risk register is reviewed monthly by the Executive Team with its members presenting monthly updates on the risks to achievement of the targets and objectives for which they are individually accountable. The strategic risk register is reviewed quarterly by the Management Board. Procedures are in place for the reporting and, where required, escalation of any risks to the Ministerial Management Board of the Ministry of Justice (formerly the Department for Constitutional Affairs).

Monthly performance reports are provided to and reviewed by the Executive Team covering performance against key and other performance indicators, and trends in volumes of receipts and disposals, all of which are risk rated. Monthly financial reports covering expenditure against profile and forecast outturn are also provided and reviewed. Progress against headcount and sickness absence targets is also reported. Similar reports are provided to the Management Board. I also provide performance and other reports to the Departmental Management Board Performance Sub-Committee, which meets on a quarterly basis and is chaired by the Permanent Secretary.



The Audit Committee supports me in the discharge of my responsibilities for the management of resources and assets, financial reporting, audit arrangements, risk management, control, governance and associated assurances. Its terms of reference are consistent with HM Treasury's Audit Committee Handbook.

I have established a Programmes and Projects Office to ensure programmes and projects are managed in accordance with Departmental and Office of Government Commerce (OGC) protocols. Processes and controls including specific risk management requirements have been in place throughout the year.

Similarly I have put in place a Change Programme to design and deliver the necessary changes to our processes, business model and organisation which operates under the same disciplines.

My Legislation and Reviews Directorate, which is responsible for the Courts, Tribunals and Enforcement Bill, and reviews of judicial terms and conditions, judicial support and of non-legal tribunal members among others is organised along formal project management lines with risk registers a feature of all its work.

Shared services (Human Resources and Information Technology) are provided by the Department and managed via Memoranda of Understanding. Shared service providers are subject to the Departmental risk management strategy, policy and processes. I have appointed a Human Resources (HR) Director and an Information Technology (IT) Business Partner to manage the services and associated risks.

My HR Director sits on the Departmental HR Board and shares responsibility for risks on the HR Directorate risk register, ensuring Tribunals Service risks and interests are taken into account and that the Tribunals Service is aware of corporate HR risks and developments.

A financial accounting and payroll service is provided by an external service provider (Liberata) and is managed by the Service Management Organisation (SMO) in Departmental Corporate Finance. My Finance and Resources Director sits on the SMO Board. Both The National Audit Office (NAO) and the Department's Internal Assurance

Division (IAD) review Liberata processes and controls and the SMO works with Liberata to ensure recommendations are acted upon.

Health and Safety procedures are in place and guidance has been published. In some cases tribunals have operated for part of the year under protocols inherited from their previous parent Departments.

Appropriate guidance is available in the *Tribunals Service Risk Management Guide* and in DCA guidance. A short guide to risk management has also been published. Project Managers have been briefed and there is an ongoing training programme. The Executive Team and other senior managers held a risk workshop early in the year. Risk workshops have been held in the Tribunals and more are planned. Advice is available from the DCA's risk management experts and from the internal auditors.

## 4. The risk and control framework

### POLICY AND PRINCIPLES

The Tribunals Service has adopted the DCA Risk Management Policy and Framework as its own. Its underlying risk management principles are that:

- senior managers will foster a culture to support well judged decisions about risks and opportunities, enabling innovation to be handled with confidence
- the management of risk will be integrated into existing processes
- clear roles and definitions will be agreed relating to the accountability, management, escalation and communication of key risks
- risks will be managed at the lowest level at which the manager has the authority, responsibility and resources to take action
- all managers will encourage openness and honesty in the reporting and escalation of risks
- there will be a consistent approach to the assessment of risks and opportunities
- the effectiveness of risk management will be subject to challenge through regular systematic assessment
- we will strive to continually improve the management of our risks.

## THE EXECUTIVE TEAM AND THE MANAGEMENT BOARD

The top risks identified for the Agency are the achievement of the key targets and objectives set out in its Business Plan, employee relations, passage and implementation of the Tribunals Courts and Enforcement Bill and development and delivery of our change programme.

The Executive Team and Management Board assess the organisation's management of risk during its annual planning and monthly and quarterly performance review cycle. Risk registers are reviewed and updated regularly at Board and Executive Team level and in the Tribunals and other Directorates of the Agency.

## STAKEHOLDERS AND PARTNERS

Risks are also managed with stakeholders and partners in a variety of ways. Those with internal and external shared service providers are as described earlier in this statement. In Tribunals success in managing risks with delivery partners, including original decision-making bodies in other Government Departments, is varied. Risks are understood and discussed with the Department for Trade and Industry and Acas as far as possible. It has proved more difficult to engage with the agencies of the Department for Work and Pensions, for whom appeals are a relatively low risk priority. A risk based approach has been used however to balance deployment of resources within and between jurisdictions. The Asylum and Immigration Tribunal (AIT) works closely with key stakeholders engaged in the end-to-end asylum and immigration process including the Immigration and Nationality Directorate (IND), UKvisas and the Legal Services Commission (LSC). Risk issues are discussed at the Extended IND Board, Appeals Management Board and Asylum Board among others and risk is integral to the Balanced Scorecard that underpins the joint delivery plan. The Tribunals Service and the Council on Tribunals have developed a close working relationship which respects the statutory independence of the Council. The Service provides assistance and information necessary for the Council to carry out its statutory functions of keeping under review, and reporting on, the constitution and working of the tribunals within its oversight and the Council provides

feedback to the Tribunals Service on the workings of the particular tribunals it administers. Dedicated arrangements are also in place for managing with the Department of Health the risks arising from changes to mental health legislation.

## BUSINESS CONTINUITY

The Agency has introduced a consistent business continuity regime in accordance with Department for Constitutional Affairs standards and all sites have prepared a Crisis Management Plan to ensure systems are in place if there is a failure of premises, people or processes. Workshops have been conducted with all sites to support them in preparation of the plans and cards have been issued to all staff with details of a national Emergency Contact telephone number which can be utilised in emergencies. A Business Continuity Gap Analysis has been completed and submitted to the DCA Business Continuity Board with the great majority of components rated low risk. The Tribunals Service is represented on the Departmental Business Continuity Board.

## CONTROLS AND CHECKS

Internal control is further exercised through a system of checks designed to mitigate the risk of fraud and error so as to ensure both efficient use of resources and the effectiveness of our customer service.

## SECURITY

The security regime addresses risks to assets and internal security, including maintenance of a Fixed Asset Register and associated asset checks. The Tribunals Service is working to the DCA security policy but incoming Tribunals have tended to operate policies and procedures inherited from their former parent Departments. Compliance with information security procedures is monitored and assured by ensuring that appropriate accreditation is obtained for its systems and applications, and that individual programmes and projects are properly accredited. Managers and staff are made aware of their responsibilities for keeping information and IT systems secure, and for reporting incidents and concerns appropriately. The Agency complies with relevant data protection legislation and takes appropriate action to minimise unauthorised disclosures of any personal information it is required to hold as a result of its business.

## HEALTH AND SAFETY

Health and Safety procedures and guidance have been published. A programme of Health and Safety training for senior managers is in progress. A programme for training staff to take on the Health & safety co-ordinators role at each site is also being rolled out. The DCA Health and Safety Branch conducted an Audit of our systems at a number of our sites and reported that “It is clear the Health and Safety culture in Tribunals Service, across the sites we sampled, is of a good standard and that a pro active approach to Health and Safety is apparent”.

## FRAUD

The Tribunal Service is represented on the DCA Fraud Working Group which develops and co-ordinates a joined up approach to fraud across the Department. A Fraud Risk Assessment has been completed in the required Departmental format and consistent with HM Treasury guidance. Two members of staff have been trained to be fraud investigators.

## 5. Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the DCA internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the effectiveness of the system of internal control by the Management Board and the Audit Committee and plans to ensure continuous improvement of the system are in place.

## AUDIT COMMITTEE

The Audit Committee met quarterly in 2006-07, and has also met subsequently to oversee the production of the annual report and accounts for the year. It discussed the system of internal control, received reports from Internal Assurance Division and, where appropriate, representatives of the National Audit Office (NAO). The Committee is chaired by a non-executive Director and the Committee’s terms of reference and membership are in accordance with the HM Treasury publication ‘The Audit Committee Handbook’.

## IMPROVING RISK MANAGEMENT

The Tribunals Service inherited disparate risk and control environments, policies and processes. The challenge has been and is to create a common, effective and proportionate culture and framework of control that represents value for money. While a good start has been made and some key risks have been successfully mitigated, there is more work to be done in the coming year if the Agency is to reach the standards to which I aspire. Much of the necessary improvement work is already underway or planned.

My Finance and Resources Director acts as Risk Improvement Manager and is responsible for developing and improving the Agency’s risk management capability. She has carried out an annual review of risk management. I also commissioned a review of risk management by an external organisation. The findings and recommendations of those reviews will be included in a risk management improvement plan to be implemented in the coming year.

I have established a Security Business Continuity and Risk Management Committee, chaired by the Director of Finance and Resources and which meets quarterly, to provide management assurance that risk is being effectively managed.

I commissioned an early review by the internal auditors of internal controls and as a result established a project to review and revise the internal control framework. Existing frameworks have been reviewed and a common template to promote consistency designed as a first step. The internal control framework project will continue and common risk based controls and guidance will be designed and rolled out across the Tribunals Service.

Governance and Public Accountability workshops will be rolled out in the coming year to ensure staff understand their role in the control framework, delegations and authorities and the implications for the Accounting Officer if there is a lapse in internal control.

A Health and Safety policy with supporting guidance has been developed in accordance with the overarching Department for Constitutional Affairs Policy and all sites have completed a health and safety self-assessment which will identify any weaknesses to be addressed. Training for all site Managers in their health and safety responsibilities has commenced and will be supplemented early in 2007-08 by more detailed training for site representatives which will, for example, enable all sites to undertake appropriate risk assessments. DCA Health and Safety Branch have conducted an audit of Tribunals Service health and safety procedures. A new Health and Safety manual is in development.

Fraud awareness workshops will be developed and rolled out in the coming year.

I set up a working group to develop new controls and processes to manage attendance. Using existing Department for Constitutional Affairs guidance alongside best practice procedures in place across the Tribunals Service, new controls and processes have been rolled out to all sites. A Tribunals Service Health Awareness Officer has been appointed and regional Champions are in place. Training and awareness sessions have been delivered to all line managers and the new controls and procedures are now in place to manage attendance levels within the Ministry of Justice target for 2007-08.

I have established a working group chaired by one of my Directors that will oversee development of improved, common key performance indicators and other measures, common and robust data definitions and improved reporting and risk rating processes.

## INTERNAL AUDIT

In agreeing our internal audit plan for the year ending 31 March 2007, emphasis has been placed on the engagement and involvement of all members of the Management Board. The plan has also been reviewed at each Audit Committee meeting. The Internal Audit Plan is focused on the Agency's identified key risks.

The Department's internal auditors have undertaken at my request a programme of work based on the key risks impacting the Agency and the systems of control in place to mitigate them. The programme of work included reviews of:

- change management
- physical security
- management information
- procurement
- communications
- attendance management
- judicial forecasting
- fees paid to tribunal members.

This work culminates in the presentation of the Internal Assurance Division Annual Assurance Report, which offered limited assurance at this stage due to the maturity of organisation, particularly in respect of (improving) risk management, clarity of (changing) responsibility, reliance upon co-operation/performance of lower tier bodies, and other issues.

Recommendations made by the internal auditors have been accepted onto the Agency's work programme and the implementation is monitored and reported on centrally.

## 6. Significant internal control problems

There were no significant internal control problems in the year.

Signed:



Peter Handcock  
Chief Executive  
29 June 2007

## Accounts

### THE TRIBUNALS SERVICE AGENCY

#### THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

I certify that I have audited the financial statements of the Tribunals Service for the year ended 31 March 2007 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### RESPECTIVE RESPONSIBILITIES OF THE AGENCY, THE CHIEF EXECUTIVE AND AUDITOR

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and Section 6(3) of the Criminal Injuries Compensation Act 1995 and directions made thereunder by the Lord Chancellor and the Secretary of State for Justice and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000 and directions issued by the Lord Chancellor and Secretary of State for Justice under section 6(3) of the Criminal Injuries Compensation Act 1995. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Background to our creation, Tribunals Service Board, Accounts, Directorships and Other Significant Interests, Pension liabilities and Audit, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## BASIS OF AUDIT OPINION

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## OPINIONS

### Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury and Section 6(3) of the Criminal Injuries Compensation Act 1995 and directions made thereunder by the Lord Chancellor and Secretary of State of Justice, of the state of the Agency's affairs as at 31 March 2007, and of the net cost of operations, recognised gains and losses and cashflows for the year then ended
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000 and Lord Chancellor and Secretary of State for Justice directions issued under Section 6(3) of the Criminal Injuries Compensation Act 1995
- the information given within the Annual Report, which comprises Background to our Creation, Tribunals Service Board, Accounts, Directorships and Other Significant Interests, Pension liabilities and Audit, is consistent with the financial statements.

### Audit Opinion on Regularity

- In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.

John Bourn  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

5 July 2007

**Income and Expenditure Account for the year ended 31 March 2007**

	Notes	2006-07 (£'000)	2005-06 (£'000)
<b>Income</b>			
Operating income	3	28,170	27,885
<b>Expenditure</b>			
Staff and judiciary costs	4 (206,312)	(201,964)	
Other operating costs	5.1 (105,378)	(103,918)	
Depreciation	6 (2,832)	(3,426)	
<b>Total operating costs</b>		<b>(314,522)</b>	<b>(309,308)</b>
Net cost of operations before interest		(286,352)	(281,423)
Interest payable	5.2	(461)	(699)
<b>Net cost of operations</b>		<b>(286,813)</b>	<b>(282,122)</b>

*All activities are continuing.*

**Statement of Recognised Gains and Losses for the year ended 31 March 2007**

	Note	2006-07 (£'000)	2005-06 (£'000)
Unrealised surplus on revaluation of tangible fixed assets	11.2	479	1,278
<b>Recognised gains and losses</b>		<b>479</b>	<b>1,278</b>

*The notes on pages 49 to 63 form part of these accounts.*

**Balance Sheet as at 31 March 2007**

	Notes	31 March 2007 (£'000)	31 March 2006 (£'000)
<b>Fixed assets</b>			
Tangible fixed assets	6	31,098	26,078
<b>Current assets</b>			
Debtors	7	7,537	7,646
Cash at bank and in hand	8	8,317	4,675
		15,854	12,321
Creditors: amounts falling due within one year	9.1	(49,365)	(77,299)
<b>Net current assets</b>		(33,511)	(64,978)
<b>Total assets less current liabilities</b>		(2,413)	(38,900)
Provisions for liabilities and charges	10	(2,474)	(3,116)
<b>Total net assets</b>		(4,887)	(42,016)
<b>Taxpayers' equity</b>			
General Fund	11.1	(13,054)	(49,813)
Revaluation reserve	11.2	8,167	7,797
<b>Total taxpayers' equity</b>		(4,887)	(42,016)

Peter Handcock,  
Chief Executive and Accounting Officer  
29 June 2007

*The notes on pages 49 to 63 form part of these accounts.*



**Cash Flow Statement for the year ended 31 March 2007**

	Notes	2006-07 £'000	2005-06 £'000
Net cash outflow from operating activities	C1	(293,457)	(198,901)
Net cash outflow from investing activities	C2	(179)	(5,812)
Net cash inflow from financing	C3	297,279	208,433
(Decrease) in third party balances	9.2	(1)	-
<b>Increase in cash in the year</b>	<b>8</b>	<b>3,642</b>	<b>3,720</b>

**Notes to the Cash Flow Statement****C1**

Reconciliation of operating cost to operating cash flows	Notes	2006-07 £'000	2005-06 £'000
Net cost of operations		(286,813)	(282,122)
Adjust for notional and non-cash costs	17.1	22,506	24,690
Adjust for movements in working capital other than cash	17.2	(28,401)	58,694
Cash movement in provisions	10	(749)	(163)
<b>Net cash outflow from operating activities</b>		<b>(293,457)</b>	<b>(198,901)</b>

**C2**

Analysis of investing cash flows	Notes	2006-07 £'000	2005-06 £'000
Purchase of fixed assets		(179)	(5,812)
Proceeds from disposal of fixed assets		-	-
<b>Net cash outflow from investing activities</b>		<b>(179)</b>	<b>(5,812)</b>

**C3**

Analysis of financing cash flows	Notes	2006-07 £'000	2005-06 £'000
Funding from Department	11.1	297,279	208,433
<b>Net cash inflow from financing activities</b>		<b>297,279</b>	<b>208,433</b>

*The notes on pages 49 to 63 form part of these accounts.*

## Notes to the accounts for the year ended 31 March 2007

### I ACCOUNTING POLICIES

The Tribunals Service was created on 1 April 2006 as an Executive Agency of the Department for Constitutional Affairs (DCA), which became the Ministry for Justice on 9 May 2007. These accounts have been prepared in accordance with the Government Financial Reporting Manual issued by HM Treasury, using the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost.

Prior year comparatives, where shown, are an amalgamation of the published 2005-06 Annual Accounts for the Employment Tribunals Service, the Appeals Service and the Criminal Injuries Compensation Appeals Panel together with figures drawn from the Annual Accounts of the Department of Health and the Department for Education and Skills in respect of the Mental Health Review Tribunal and the Special Educational Needs & Disability Tribunal, respectively, and the Annual Accounts of the Department for Constitutional Affairs for those tribunals already within the Department.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act, the Accounting Standards Board and HM Treasury, in so far as those requirements are appropriate.

The Accounting Officer has determined that these accounts can be prepared on a going concern basis.

#### I.1 FIXED ASSETS

Land and buildings are included on the basis of professional valuations, which are conducted for each property at least once every five years. When properties are vacated and are awaiting disposal they are valued at open market value.

Plant, equipment, furniture and vehicles are included at cost in the month of purchase and are restated annually thereafter using Price Index Numbers for Current Cost Accounting (Office for National Statistics).

#### I.2 DEPRECIATION

Depreciation is provided at rates calculated to write off the valuation of freehold buildings or current replacement cost of other tangible fixed assets, less the estimated residual value, spread evenly over their estimated useful lives, or for leased assets, over the life of the lease. Depreciation of land and buildings is based on opening balance sheet values, while all other assets are depreciated on closing balance sheet values. Asset lives are within the following ranges:

CATEGORY	ASSET LIFE
Freehold land	Not depreciated
Freehold buildings	Shorter of: remaining life, or 60 years
Leasehold buildings	Shorter of: remaining life, remaining lease period, or 50 years
Leasehold lands	Remaining lease period (except leases with more than 125 years remaining, which are not depreciated)
Assets under construction	Not depreciated
Plant, equipment, computers and software	5 to 7 years
Furniture	10 years
Vehicles	3-4 years
Finance leases	Lease period
Operational antiques	50 years

### 1.3 STOCK

Stocks of consumable stores, for example, stationery held, are not considered material and are written off in the Income and Expenditure Account as they are purchased.

### 1.4 OPERATING INCOME

Operating income is income which relates directly to the operating activities of the agency. It principally comprises charges for services provided on a full cost basis to external customers and the recovery of costs from other government departments. Other operating income includes rents receivable and miscellaneous receipts (for example, sale of publications). Income is stated net of VAT.

### 1.5 VALUE ADDED TAX

Irrecoverable VAT is charged to the relevant expenditure category, or if appropriate, capitalised. Income and expenditure are otherwise shown net of VAT. This treatment is in accordance with Statement of Standard Accounting Practice 5.

### 1.6 PENSIONS

Most Tribunals Service staff are members of the Civil Service Pension scheme (CSPS), which is a multi-employer pay-as-you-go defined benefit scheme. Departments and Agencies covered by this scheme make employer contributions to the cost of pension cover provided for their staff by payment of charges calculated on an accruing basis. For the Tribunals Service these employer contributions are a charge on the Income and Expenditure Account. Pension benefits payable under the schemes are financed from the Consolidated Fund on an annual basis through a separate Resource Supply, voted each year by Parliament. The employer contributions and benefits paid are accounted for in the separate Resource Accounts of the individual schemes.

### 1.7 EARLY DEPARTURE COSTS

The Tribunals Service is required to pay the additional cost of benefits beyond the normal CSP benefits, in respect of employees who retire early, unless the retirement is on approved medical grounds. The total cost is provided in full when the early departure programme has been announced and is binding on the Tribunals Service. The estimated cash flow is discounted using HM Treasury's discount rate of 2.8% in real terms.

### 1.8 NOTIONAL AND NON-CASH CHARGES

#### Capital charge

A charge reflecting the cost of capital utilised by the Tribunals Service is included in operating costs. This charge is at the Government's standard rate of 3.5% on the average net book value of the asset over the year with the following exceptions:

- for land and buildings, including dwellings, the charge is calculated using opening balances plus additions at cost, less disposals at their opening balance sheet values, less impairment and depreciation
- the charge is nil for amounts due to, or from the Consolidated Fund, liabilities in respect of advances from the Contingencies Fund, cash holdings with the Office of Paymaster General, and amounts due to, or from the DCA through any interagency transactions.

#### Other

Other notional and non-cash charges include: the external auditors' remuneration, which represents the National Audit Office's cost for the audit of the Tribunals Service accounts, and departmental overhead charges, which are recharged to the Tribunals Service by the DCA.

### 1.9 OPERATING LEASES

Rentals under operating leases are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

### 1.10 FINANCE LEASES

Where assets are financed by leasing agreements giving rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the leased assets. The corresponding leasing commitments are shown as obligations to the lessor.

### 1.11 PAYMENTS TO PUBLIC FINANCE INITIATIVE (PFI) SUPPLIERS

Public Finance Initiatives (PFI) transactions have been accounted for in accordance with HM Treasury's Technical Note No. 1 (Revised) on "How to account for PFI Transactions". Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator the PFI payments are recorded as an operating cost.

Where the Tribunals Service has contributed assets a prepayment for their fair value is recognised and amortised over the life of the PFI contract by a charge to the Income and Expenditure Account. Where the balance of risks and rewards of ownership of the PFI property are borne by the Tribunals Service it is recognised as a fixed asset along with the liability to pay for it, and is accounted for as a finance lease.

### 1.12 CONSOLIDATED BY DCA

As an Executive Agency of the DCA, falling within the Department's accounting boundary, the Tribunals Service is included within the DCA consolidated resource accounts, which can be obtained from: [www.justice.gov.uk](http://www.justice.gov.uk)

## 2 SEGMENTAL ANALYSIS

The Tribunals Service is required, in accordance with HM Treasury's Fees and Charges Guide, to disclose performance results for the areas of its activities where fees and charges are made. The following analysis is not intended to meet the requirements of Statement of Standard Accounting Practice 25 - Segmental Reporting, which is not applicable to the Tribunals Service under the Government Financial Reporting Manual.

Segmental analysis	Income £'000	Expenditure £'000	Less Judicial costs £'000	Net Expenditure £'000	Total surplus/deficit £'000
<b>2006-07</b>					
Lands Tribunal	393	(1,476)	694	(782)	(389)
<b>2005-06</b>					
Lands Tribunal	262	1,327	(702)	625	(363)

No other area of activity meets the parameters set out in HM Treasury's Fees and Charges Guide for inclusion within this note.

## 3 OPERATING INCOME

	2006-07 £'000	2005-06 £'000
Fee income	423	321
Other income:		
Income from the National Insurance Fund	23,946	24,712
Income from the Scottish Executive	535	496
Miscellaneous income	3,266	2,356
<b>Total operating income</b>	<b>28,170</b>	<b>27,885</b>

### Fee income

Fee income comprises primarily Lands Tribunal receipts for rating appeals (see note 2).

### Other income

Income from the National Insurance Fund is a contribution towards the cost of National Insurance related appeals. The income from the Scottish Executive is a contribution towards the cost of Scottish cases heard by the Criminal Injuries Compensation Appeals Panel (see also note 22). The remainder of the income is received from other Government departments and from sales of publications, vending machine receipts and telephone boxes.

#### 4 STAFF AND JUDICIARY COSTS AND NUMBERS

Staff costs and numbers are broken down between those attributable to employees of the Tribunals Service and those attributable to members of the judiciary. Each category is dealt with in the following notes, with the total costs summarised in the table below.

	Notes	2006-07 £'000	2005-06 £'000
Staff costs	4.1.1	73,209	82,208
Judicial costs	4.2.1	133,103	119,756
<b>Total staff and judicial costs</b>		<b>206,312</b>	<b>201,964</b>

Ministers' remuneration is set by the Ministerial and Other Salaries Act 1975 and the Ministerial and Other Pensions and Salaries Act 1991. No elements of Ministerial salaries are included in these accounts (see also Remuneration Report and DCA Resource Accounts).

#### 4.1 TRIBUNALS SERVICE STAFF

##### 4.1.1 STAFF COSTS

	2006-07 £'000	2005-06 £'000
Wages and salaries	60,496	67,613
Social security costs	3,602	4,242
Employer's pension contributions	9,180	10,438
	<b>73,278</b>	<b>82,293</b>
Less: recoveries in respect of outward secondments	(69)	(85)
<b>Total staff costs</b>	<b>73,209</b>	<b>82,208</b>

##### 4.1.2 STAFF NUMBERS

The average number of full-time equivalent persons paid during the year, including Board members was:

	2006-07 £'000
Asylum and Immigration Tribunals staff	1,123
Social Security and Child Support Appeals staff	691
Employment Tribunals staff	617
Tribunals Development Group staff	363
Corporate staff	69
Agency and contract staff	185
<b>Total staff costs</b>	<b>3,048</b>

Staff numbers for 2005-06 are not available. Included within the wages and salaries figure at note 4.1.1 is £6,429k (2005-06: £4,452k) relating to agency and contract staff.

### 4.1.3 SUPERANNUATION SCHEME

The CSP scheme is an unfunded multi-employer defined benefit scheme, which prepares its own accounts, but for which the Tribunals Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation at [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

For 2006-07, employer's contributions of £9,180k were payable to the CSP (2005-06: £10,438k) at one of four rates in the range 17.1% to 25.5% of pensionable pay based on salary bands (the rates in 2005-06 were between 16.2% and 24.6%). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2007-08, the salary bands will be revised but the rates will remain the same. The contribution rates are set to meet the cost of the benefits accruing during 2006-07 to be paid when the member retires, and not the benefits paid during this period for existing pensioners.

## 4.2 JUDICIARY

### 4.2.1 PAYROLL COSTS OF THE JUDICIARY

Members of the judiciary are independent of the Tribunals Service. Their payroll costs are met directly by the Tribunals Service. All costs are included within the Tribunals Service's accounts to ensure the full cost of operations is disclosed.

The payroll costs for the year were as follows:	2006-07 £'000	2005-06 £'000
Wages and salaries	109,520	102,718
Social security costs	11,044	7,186
Employer's pension contribution	12,539	9,852
<b>Total payroll costs of the judiciary</b>	<b>133,103</b>	<b>119,756</b>

As well as salaried judicial officers, the Tribunals Service also meets the cost of fee-paid judiciary. Included in the figures above are £65,866k for fees and £4,352k for the associated social security costs of the fee-paid judiciary. Comparative figures for 2005-06 are not available.

### 4.2.2 JUDICIARY NUMBERS

The costs disclosed in note 4.2.1 include salary costs for an average of 419 judicial officers. Comparative figures for 2005-06 are not available.

### 4.2.3 SUPERANNUATION SCHEME

The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme, which prepares its own accounts, but for which the Tribunals Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2005. Details can be found in the resource accounts of the Judicial Pension Scheme: [www.official-documents.co.uk](http://www.official-documents.co.uk)

Judicial pensions are paid out of the Consolidated Fund where the judicial office holder's salary was paid from that Fund, or the Judicial Pension Scheme where the salary has been paid from the Department's supply estimate. Superannuation has been included for judicial salaries using a rate of 30.75% (2005-06: 29.25%).

The benefits payable are governed by the provisions of either the Judicial Pensions Act 1981 for those judicial office holders appointed before 31 March 1995, or the Judicial Pensions and Retirement Act 1993 for those newly appointed or appointed to a different judicial office on, or after that date.

**5 OTHER ADMINISTRATIVE COSTS**

<b>5.1 OTHER OPERATING COSTS</b>	<b>2006-07 £'000</b>	<b>2005-06 £'000</b>
Accommodation, maintenance and utilities	27,503	25,688
PFI suppliers	1,577	8,475
Staff travel and subsistence	3,216	3,794
Judicial travel and subsistence	3,194	4,605
Other staff costs	640	784
Other judicial costs	17,266	13,467
Contracted services	2,375	1,899
Consultancy	1,400	1,727
Communications, office supplies and services	5,978	8,661
Miscellaneous expenditure	145	2,644
<b>Operating leases:</b>		
Property rents	22,037	21,151
Hire of plant and machinery	806	1,506
Other expenditure	17	27
<b>Non-cash costs:</b>		
External auditors remuneration	110	96
Loss on disposal of assets	-	268
Permanent impairment in asset value	197	535
Movement in provisions	103	(468)
Departmental recharge	18,814	9,053
Movement in bad debt provision	-	6
<b>Total other operating costs</b>	<b>105,378</b>	<b>103,918</b>

**Accommodation, maintenance and utilities**

This is divided into four key areas; rates and service charges; managing agent fees; building, mechanical and engineering maintenance expenditure; and utilities, including electricity, cleaning and security.

**PFI suppliers**

The large decrease from 2005-06 is due to the fact that the main PFI supplier charge for the ARAMIS and CCS contracts (see note 15) now form part of the Departmental recharge total.

**Departmental recharge**

The departmental recharge represents the cost of services shared with the DCA including human resources, IT, legal and judicial services, and finance and administration.

<b>5.2 INTEREST PAYABLE</b>	<b>2006-07 £'000</b>	<b>2005-06 £'000</b>
Notional interest on capital	450	699
Finance charges on leased assets	11	-
<b>Total interest payable</b>	<b>461</b>	<b>699</b>

The notional interest on capital charge reflects the cost of capital utilised by the Tribunal Service to undertake its business and deliver services. Even though this is a notional non-cash cost, it is still charged as an expense through the Income and Expenditure Account and is reflected in the net cost of operations figure. Note 1.8 on notional and non-cash charges provides further details on the calculation of this cost.

6 TANGIBLE FIXED ASSETS	Land and buildings excluding dwellings £'000	Information Technology £'000	Plant and equipment £'000	Furniture Fixtures and fittings £'000	Assets under construction £'000	Total £'000
<b>Cost and Valuation:</b>						
As at 1 April 2006	24,112	5,954	950	779	2,768	34,563
Additions	-	2,747	18	-	1,127	3,892
Disposals	-	-	-	-	-	-
Revaluation	454	(339)	(22)	86	-	179
Reclassifications	-	1,001	(24)	24	(1,001)	-
Transfers	-	2	551	3,513	-	4,066
<b>As at 31 March 2007</b>	<b>24,566</b>	<b>9,365</b>	<b>1,473</b>	<b>4,402</b>	<b>2,894</b>	<b>42,700</b>
<b>Depreciation:</b>						
As at 1 April 2006	4,346	2,927	789	423	-	8,485
Charged in year	1,422	825	161	424	-	2,832
Disposals	-	-	-	-	-	-
Revaluation	55	(146)	(16)	4	-	(103)
Reclassification	-	-	(24)	24	-	-
Transfers	-	-	388	-	-	388
<b>As at 31 March 2007</b>	<b>5,823</b>	<b>3,606</b>	<b>1,298</b>	<b>875</b>	<b>-</b>	<b>11,602</b>
<b>Net book value:</b>						
As at 31 March 2007	18,743	5,759	175	3,527	2,894	31,098
As at 31 March 2006	19,766	3,027	161	356	2,768	26,078

The value of freehold land included within 'Land and buildings excluding dwellings' is £1,040k (2005-06: £1,004k).

Included in 'Information Technology' are assets leased under a finance lease with a net book value of £64k. These assets were previously held in the books of Her Majesty's Courts Service (HMCS), although they related to equipment being used by the Tribunals Service, but were transferred to the Tribunals Service during 2006-07. Included within the depreciation charge for the year is an amount of £96k relating to these assets.

Also included in 'Information Technology' are assets representing the capitalised value of elements of the payments made under the County Court Systems (CCS) PFI contract (see note 15), which under FRS5 are deemed to be assets of the Tribunals Service. These have a net book value of £683k (2005-06: £986k). Included within the depreciation charge for the year is an amount of £273k (2005-06: £270k) relating to these assets.

Included under 'Furniture, fixtures and fittings' is the transfer of a furniture pool previously held in the books of HMCS.



7 DEBTORS	2006-07 £'000	2005-06 £'000
Amounts falling due within one year		
VAT recoverable	516	600
Trade debtors	627	25
Deposits and advances	648	221
Other debtors	299	208
Prepayments and accrued income	5,419	6,521
Prefunding for early retirement	28	43
<b>Total debtors falling due within one year</b>	<b>7,537</b>	<b>7,618</b>
Amounts falling due after one year		
Prefunding for early retirement	-	28
<b>Total debtors falling due after one year</b>	<b>-</b>	<b>28</b>
<b>Total debtors</b>	<b>7,537</b>	<b>7,646</b>

#### Trade debtors

The figure for 2006-07 is much higher than in 2005-06 due to the fact that trade debtor balances were not included in the transfer of functions under the Machinery of Government changes.

#### Prepayments and accrued income

The main element of prepayments pertains to property rent, both in 2006-07 and 2005-06.

The table below provides a further analysis of the Tribunals Service debtors by the types of organisations for which amounts are owed to the Tribunals Service.

#### 7.1 ANALYSIS OF DEBTOR BALANCES BY ORGANISATIONAL TYPE

Tribunals Service holds debtor balances for the following types of organisations:

	Amounts falling due within one year (2006-07) £'000	Amounts falling due after one year (2006-07) £'000
Other central government bodies	2,204	-
Local authorities	-	-
NHS bodies	-	-
Public corporations and trading funds	558	-
Bodies external to government	4,775	-
<b>Total debtors</b>	<b>7,537</b>	<b>-</b>

Comparative figures for 2005-06 are not available.

8 CASH AT BANK AND IN HAND	2006-07 £'000	2005-06 £'000
Balance at start of year	4,675	37
Increase in cash during the year	3,642	4,638
<b>Balance at year-end</b>	<b>8,317</b>	<b>4,675</b>
Comprises:		
Balances at Office of HM Paymaster General (OPG)	8,287	4,668
Commercial banks	19	-
Cash in hand	1	1
Imprests	10	6
<b>Balance at year-end</b>	<b>8,317</b>	<b>4,675</b>

The balances of cash at bank and in hand include £21k (2005-06: £22k) held on behalf of third parties. The amount is also disclosed as a creditor.

## 9 CREDITORS

9.1 AMOUNTS FALLING DUE WITHIN ONE YEAR	Notes	2006-07 £'000	2005-06 £'000
Taxation and social security		4,764	1,583
Trade and other creditors		2,071	1,060
Accruals and deferred income		18,999	15,249
Obligations under finance leases		96	-
Net inter-company creditor		23,414	59,385
		<b>49,344</b>	<b>77,277</b>
Third party balances	9.2	21	22
<b>Total amounts falling due within one year</b>		<b>49,365</b>	<b>77,299</b>

### Taxation and social security

No taxation and social security liabilities were transferred to the Tribunals Service on 1 April 2006. The 2005-06 balance relates solely to those members of staff working within the DCA Tribunals.

### Net inter-company creditor

This balance represents transactions paid for by other parts of the DCA family and transferred to the Tribunals Service. Any amounts due to/from the Tribunals Service are settled via a funds transfer quarterly. The balance at 31 March 2007 relates to February and March 2007 transactions.

## 9.2 THIRD PARTY BALANCES

The third party balances included in the amounts are:

	2006-07 £'000	2005-06 £'000
Opening bank balances and monies as at 1 April 2006	22	-
Gross inflows	9	22
Gross outflows	(10)	-
Closing balance at year-end and monies on deposit	21	22

This balance represents amounts held pending the outcome of certain Employment Tribunal hearings, whereafter the funds paid out accordingly. Therefore, they never form part of Tribunals Service's funding.

In addition, Tribunals Service also oversees the handling of Bail Bonds totalling £60k, which is not included within the accounts.

## 9.3 ANALYSIS OF CREDITOR BALANCES BY ORGANISATIONAL TYPE

Tribunals Service holds creditor balances for the following types of organisation

	Amounts falling due within one year (2006-07) £'000	Amounts falling due after one year (2006-07) £'000
Other central government bodies	37,506	-
Local authorities	-	-
NHS bodies	-	-
Public corporations and trading funds	-	-
Bodies external to government	11,838	-
<b>Total creditors</b>	<b>49,344</b>	<b>-</b>

## 10 PROVISIONS FOR LIABILITIES AND CHARGES

	Notes	2006-07 £'000	2005-06 £'000
Provision for early departure costs	10.1	44	126
Provision for by-analogy pension scheme	10.2	1,323	1,398
Provision - other	10.3	1,107	1,592
<b>Total provisions for liabilities and charges</b>		<b>2,474</b>	<b>3,116</b>

### 10.1 PROVISION FOR EARLY DEPARTURE COSTS

	2006-07 £'000	2005-06 £'000
Balance at start of year	126	126
Increase/(decrease) in provision	-	-
Utilised in year	(82)	-
<b>Total provision for early departure costs</b>	<b>44</b>	<b>126</b>

10.2 PROVISION FOR BY-ANALOGY PENSION SCHEME	2006-07 £'000	2005-06 £'000
Balance at start of year	1,398	1,398
Increase/(decrease) in provision	57	163
Utilised in year	(132)	(163)
<b>Total provision for by-analogy pension scheme</b>	<b>1,323</b>	<b>1,398</b>

10.3 PROVISION - OTHER	2006-07 £'000	2005-06 £'000
Balance at start of year	1,592	1,242
Increase/(decrease) in provision	50	350
Utilised in year	(535)	-
<b>Total provision - other</b>	<b>1,107</b>	<b>1,592</b>

The main element of other provisions is an amount for dilapidations. The terms under which leasehold properties are occupied require the premises to be returned to their original state and condition at the end of the lease.

Also included in other provisions are personal injury claims, employment tribunal proceedings and other potential costs where the timing or value is as yet uncertain.

## 11 RESERVES

11.1 GENERAL FUND	Notes	2006-07 £'000	2005-06 £'000
Balance at start of year		(49,813)	15,289
Funding from the DCA		297,279	208,433
Net cost of operations		(286,813)	(282,122)
Transfer from revaluation reserve	11.2	109	68
Machinery of Government changes		4,063	(1,502)
Notional costs	11.3	22,121	10,021
<b>Balance at year-end</b>		<b>(13,054)</b>	<b>(49,813)</b>

Any fixed assets transferred from other Departments when Tribunals Service was formed were treated in accordance with the accounting policies adopted by the Tribunals Service. As a result any difference in asset values were transferred to the General fund under the heading of Machinery of Government changes, as shown above. The 2005-06 General Fund closing balance reflects a £727k write-down in fixed asset value, following a review of the carrying values of fixed assets transferred to Tribunals Service from DCA.

11.2 REVALUATION RESERVE	2006-07 £'000	2005-06 £'000
Balance at start of year	7,797	6,587
Revaluation of fixed assets during the year	479	1,278
Transfer to general fund of realised element of reserves	(109)	(68)
<b>Balance at year-end</b>	<b>8,167</b>	<b>7,797</b>

11.3 NOTIONAL COSTS	Notes	2006-07 £'000	2005-06 £'000
Consolidated Fund judicial salaries and social security costs		-	173
External auditor's remuneration	5.1	110	96
Departmental recharge	5.1	18,814	9,053
Interest on capital	5.2	450	699
Fixed asset transfers from DCA via general fund		2,747	-
<b>Total notional costs</b>		<b>22,121</b>	<b>10,021</b>

## 12 CAPITAL COMMITMENTS

There were no contracted capital commitments as at 31 March 2007.

## 13 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2007 the Tribunals Service was committed to making the following payments during the next year in respect of operating leases:

Land and Buildings	2006-07 £'000
Expiring within one year	1,314
Expiring after one year but not more than five years	5,277
Expiring thereafter	16,359
<b>Total commitments under operating leases</b>	<b>22,950</b>

Other	2006-07 £'000
Expiring within one year	55
Expiring after one year but not more than five years	60
Expiring thereafter	242
<b>Total commitments under operating leases</b>	<b>357</b>

Figures are not available for 2005-06.

## 14 PFI COMMITMENTS

The Tribunals Service does not have any PFI commitments to report in its own right (see note 15).

## 15 OTHER COMMITMENTS

The Tribunals Service is a party to two PFI-type arrangements through its parent, the DCA. The main costs of these contracts are included under "Departmental recharge" in Note 5.1. In addition, the Tribunals Service pays separately for amendments to the contracts that it has specifically requested under the Request for Change (RFC) process. These additional costs are included under "PFI suppliers" in note 5.1.

The two arrangements are:

- the ARAMIS project with Liberata UK Limited, which provides accounting, management information and corporate IT services to the Tribunals Service
- the CCS project with Electronic Data Systems Limited (EDS), which provides computer systems, software development, support and maintenance for operational systems to the Tribunals Service.

## 16 CONTINGENT LIABILITIES AND ASSETS

### Contingent liabilities

The Department for Constitutional Affairs is involved in a number of cases of fee paid judicial office holders claiming retrospective pension rights. A negative judgement may set a precedent which could result in a liability to the Tribunals Service, the monetary cost of which cannot be quantified at this stage

### Contingent assets

The Tribunals Service is not aware of any contingent assets.

## 17 NOTES TO THE CASH FLOW STATEMENT

### 17.1 SUMMARY OF NOTIONAL AND NON-CASH COSTS

	Notes	2006-07 £'000	2005-06 £'000
Consolidated Fund judicial salaries		-	174
Notional interest on capital	5.2	450	699
External auditor's remuneration	5.1	110	96
Loss on disposal of assets	5.1	-	268
Permanent impairment in asset value	5.1	197	535
Movement in provisions	5.1	103	(468)
Departmental recharge	5.1	18,814	9,053
Non-cash element of accommodation costs	5.1	-	10,901
Bad debt provision	5.1	-	6
Depreciation	6	2,832	3,426
<b>Total notional and non-cash costs</b>		<b>22,506</b>	<b>24,690</b>

### 17.2 MOVEMENT IN WORKING CAPITAL

	Notes	2006-07 £'000	2005-06 £'000
Increase/(decrease) in debtors	7	109	(1,160)
Adjusted for movement in:			
Bad debt provision	5.1	-	-
Fixed asset debtor		-	144
General Fund and debtors	-	6	-
Net inter-departmental debtors	7	-	-
<b>Total increase in debtors</b>		<b>115</b>	<b>(1,016)</b>

Movement in working capital (continued)	Notes	2006-07 £'000	2005-06 £'000
Increase/(decrease) in creditors	9	(27,934)	59,710
Adjusted for movement in:			
Third party balances	9.3	1	-
Fixed asset creditors		(584)	-
General Fund and Provisions		1	-
<b>Total increase in creditors</b>		<b>(28,516)</b>	<b>59,710</b>
<b>Total movement in working capital</b>		<b>(28,401)</b>	<b>58,694</b>

## 18 RELATED PARTY TRANSACTIONS

The Tribunals Service is an Executive Agency of the DCA and therefore is regarded as a related party. During the year the Tribunals Service had a significant number of material transactions with the DCA and other entities for which the DCA is regarded as the parent department, for example, Her Majesty's Courts Service.

The Tribunals Service has also had a number of material transactions with other government departments and central government bodies.

During the year none of the Board members, members of senior management staff, or other related parties have undertaken any material transactions with the Tribunals Service.

## 19 POST BALANCE SHEET DATE EVENTS

In accordance with Financial Reporting Standard 21 'Events after the balance sheet date', accounting adjustments and disclosures are considered up to the point that the financial statements are authorised for issue. The accounts were authorised for issue on 23 July 2007.

On 9 May 2007, as a result of machinery of government changes, a new Ministry of Justice was created. The new Ministry brought together the Department For Constitutional Affairs, the National Offender Management Service and the Office for Criminal Justice Reform. We are unable to estimate the financial implications of this change.

## 20 ACCOUNTABILITY

The following disclosures are included to comply with Government Accounting reporting requirements. For 2006-07 the Tribunals Service had:

- 8 cases involving cash losses totalling £2,767
- 112 special payments totalling £48,103
- 208 instances of fees remitted or exempted, totalling £26,160.

## 21 FINANCIAL INSTRUMENTS

### Liquidity risk

Tribunals Service's net expenditure resource requirement is financed by resources voted annually by Parliament to the DCA, just as its capital expenditure is. It is not exposed, therefore, to significant liquidity risks. However, within the normal Parliamentary supply procedure, the Tribunals Service has to budget for resources (both expenditure and capital) in the nine months preceding the financial year in which it will be granted.

### Interest-rate risk

100% of the Agency's financial liabilities carry nil, or fixed rates of interest, and therefore it is not exposed to significant interest rate risk.

### Foreign currency risk

Tribunal Service's exposure to foreign currency risk is not material.

## 22 CICAP STATEMENT OF ACCOUNT AS AT 31 MARCH 2007

This statement has been included in accordance with the accounts direction issued by the Secretary of State, in pursuance of section 6(3)(ii) of the Criminal Injuries Compensation Act 1995 and paragraph 4 of the Criminal Injuries Compensation Scheme 2001, after consultation with the Scottish Ministers in accordance with section 88(2) of the Scotland Act 1998.

	2006-07 (£'000)
<b>Income*</b>	611
<b>Staff Costs</b>	
Staff Payroll costs	(1,588)
Judicial Payroll costs	(1,169)
<b>Total Payroll costs</b>	(2,757)
<b>Other operating costs</b>	(2,098)
<b>Net cost of operations</b>	(4,244)

\* Includes £535k contribution from the Scottish Executive towards Scottish cases.



## Annex A

### Tribunals and their jurisdictions

#### The Gambling Appeals Tribunal (GAT)

The Gambling Appeals Tribunal was established in January 2007 as an independent body to hear appeals against the decisions of the Gambling Commission (the Commission). The Commission issues operating licences to companies, personal functional licences and personal management licences (for people in key management positions). Holders of, or applicants for, either operating or personal licences have a right of appeal to the Tribunal against the decisions of the Commission which relate to their licences or licence applications.

#### The Claims Management Services Tribunal (CMST)

The CMST was established on 14 February 2007 as an independent judicial body under section 12 of the Compensation Act 2006 to hear appeals from businesses and individuals providing claims management services in areas including personal injury, endowment mis-selling, employment and housing disrepair who are refused authorisation by the claims management Regulator or who are subject of sanctions imposed by the Regulator.

The Claims Management Services Tribunal has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

#### The Asylum Support Tribunal (AST)

The AST, formerly known as the Asylum Support Adjudicators, transferred to the Tribunals Service from the Home Office on 1 April 2007. It hears appeals against decisions made by the Asylum Resource Directorate to either refuse support to asylum seekers or withdraw support hitherto provided. The AST is based in Croydon and holds all its hearing there. Their current workload is around 3,900 cases per year.

#### The Care Standards Tribunal (CST)

The CST transferred to the Tribunals Service from the Department of Health on 1 April 2007. It hears appeals from a range of individuals, establishments and agencies in the area of social care and child and vulnerable adult protection. It is based in South London, and hearings take place at locations across England and Wales that are within reasonable travelling distance for the parties involved. The tribunal hears around 220 cases a year.

Tribunals already within the Tribunals Service at April 1 2006

#### Adjudicator to HM Land Registry (ALR)

The Adjudicator to HM Land Registry deals with disputed applications to the Land Registry where no agreement has been reached as well as applications for putting a document right or setting it aside.

#### Social Security and Child Support Appeals (SSCSA)

SSCSA was formerly part of the Department for Work and Pensions (DWP). Its main responsibility is to hear appeals against decisions on the payment of a variety of benefits and other decisions made by the delivery agencies of DWP. The most commonly heard cases involve the Disability Living Allowance and Incapacity Benefit. SSCSA handles approximately 230,000 cases a year.

#### Asylum and Immigration Tribunal (AIT)

The Asylum and Immigration Tribunal (AIT) was launched in April 2005, superseding the former Immigration Appellate Authority. AIT handles some 170,000 appeals in 2005-06 and 132,000 in 2006-07 for cases relating to decisions on asylum, immigration, human rights, citizenship and race discrimination. The administrative arm of the AIT also supports the Special Immigration Appeals Commission (SIAC),

### The Commissioners Office (TCO)

The Commissioners deal with appeals on a point of law from decisions made by the Social Security and Child Support Appeals Tribunal. They also deal with appeals on a point of law from decisions of the Pensions Appeal Tribunals made on or after 6 April 2005. In addition, Commissioners have an originating jurisdiction in cases arising from the Forfeiture Act 1982.

### Criminal Injuries Compensation Appeals Panel (CICAP)

CICAP is responsible for the disposal of appeals against decisions taken by the Criminal Injuries Compensation Authority (CICA).

### Employment Tribunals (ET)

Employment Tribunals are judicial bodies established to resolve disputes between employers and employees over employment rights. They were formerly sponsored by the Department for Trade and Industry. Their workload in 2006-07 was around 137,000 compared to 127,000 in 2005-06.

### Employment Appeal Tribunal (EAT)

The Employment Appeal Tribunal hears appeals from decisions made by the Employment Tribunals, the Certification Officer or the Central Arbitration Committee. Administrative support is provided by the Employment Tribunals (ET).

### Financial Services and Markets Tribunal (FSMT)

The Financial Services and Markets Tribunal hears references arising from decision notices issued by the Financial Services Authority (FSA).

### Gender Recognition Panel (GRP)

The Gender Recognition Panel deals with applications for gender recognition; which will allow transsexual people who have lived in their acquired gender for a specified time to apply for Gender Recognition Certificate and gain legal status in that gender.

### General Commissioners of Income Tax (GCIT)

The General Commissioners of Income Tax hear appeals against decisions made by Her Majesty's Revenue and Customs on a variety of different tax related matters including Income Tax, Corporation Tax, Capital Gains Tax, National Insurance Contributions, Statutory Maternity Pay, Statutory Sick Pay and Stamp Duty Land Tax.

### Information Tribunal (Info)

The Information Tribunal deals with appeals against decisions of the Information Commissioner, in respect of the Data Protection Act 1998 and the Freedom of Information Act 2000. A designated panel of the tribunal handles national security appeals.

### Immigration Services Tribunal (IST)

The Immigration Service Tribunal deals with appeals against decisions of the Immigration Services Commissioner. It also hears disciplinary charges brought about by the Commissioner against immigration advisers.

### Lands Tribunal (Lands)

The Lands Tribunal deals with appeals from Valuation Tribunals and Leasehold Valuation Tribunals, land compensation and discharge and modification of restrictive covenants.

**Mental Health Review Tribunal (MHRT)**

The Mental Health Review Tribunal was formerly part of the Department of Health. It hears applications made by or on behalf of patients under the Mental Health Act 1983. Hearings are held where a patient is detained - in a hospital, nursing home or mental health unit. A panel, chaired by a legal member and consisting of a medical member and a lay member, hears the application in an inquisitorial rather than adversarial way. MHRT handles around 20,000 cases a year.

**Pathogens Access Appeal Commission (PAAC)**

The Pathogens Access Appeal Commission hears appeals against decisions to restrict access to a prescribed set of dangerous pathogens and toxins, and regarding the arrangements for keeping such materials.

**Pensions Appeal Tribunal (PAT)**

The Pensions Appeal Tribunal deals with appeals relating to war pensions.

**Pensions Regulator Tribunal (PRT)**

The Pensions Regulator Tribunal deals with appeals arising from decisions of the Pensions Regulator.

**Proscribed Organisations Appeal Commission (POAC)**

The Proscribed Organisations Appeal Commission deals with appeals against decisions made by the Secretary of State for Home Affairs to refuse to de-proscribe organisations.

**Special Commissioners of Income Tax (SCIT)**

The Special Commissions of Income Tax deal with appeals arising from decisions of Her Majesty's Revenue and Customs with regard to Income Tax.

**Special Educational Needs and Disability Tribunal (SENDIST)**

The Special Educational Needs and Disability Tribunal was formerly part of the Department for Education and Skills. It hears and decides parents' appeals against local authority decisions on children's special educational needs and claims of disability discrimination in schools.

**Special Immigration Appeals Commission (SIAC)**

The Special Immigration Appeals Commission deals with appeals against decisions made by the Secretary of State for Home Affairs under the terms of the Special Immigration Appeals Commission Act 1997.

**Transport Tribunal (TT)**

The Transport Tribunal deals with appeals against decisions of traffic commissioners and the Registrar of Approved Driving Instructors, oversees the resolution of disputes under the Postal Services Act 2000 and handles appeals from Transport for London.

**VAT and Duties Tribunal (VAT)**

The VAT and Duties Tribunal deals with appeals arising from decisions of HM Revenue and Customs with regard to VAT and customs and excise duties.

## Annex B

### Performance against key performance indicators

Tribunal	Key Performance Indicators	Target	Performance 2005-06	Performance 2006-07	
ET	The percentage of single Employment Tribunal cases where the hearing begins within 26 weeks of receipt	75%	78%	79%	
	The minimum percentage of above target to be achieved by individual regional offices	65%	76%	88%	
	The average time taken to issue the decision of the employment tribunal to the applicant following the tribunal hearing	4 weeks	87%	88%	
EAT	The percentage of Appeals listed for a first hearing within 26 weeks of receipt	75%	97%	92%	
SSCSA	The average time from the receipt of an appeal from the original decision-making agency to the first tribunal hearing	11 weeks	10.4	9.6	
	The average time for a rehearing of a case returned from the Social Security Commissioner following an appeal against the original tribunal	8 weeks	7.2	7.1	
AIT	The percentage of substantive asylum applications including the final appeal that are decided within 6 months	75%	74%	74%	
CICAP	The percentage of cases where a decision on eligibility for compensation is issued from receipt of the ready- to-list bundle provided by the Criminal Injuries Compensation Authority (CICA)	75% in 6 months	n/a	71.4%	
		95% in 12 months	n/a	88.5%	
	The Percentage of both eligibility and quantum (value) cases that are to be resolved within:	6 months	65%	70%	71.9%
		12 months	90%	90%	88%
	12 months	98%	97%	97.5%	
	Number of appeals resolved per hearing day	6	5	5	
MHRT	The average time taken from the date of receipt of the application to the date when the case is listed for hearing for:	Section 2 (Mental Health Act 1983) cases	7 days	5 days	6 days
		Section 3 (Mental Health Act 1983) cases	6 weeks	6 weeks	6.7 weeks
		Restricted cases	16 weeks	17.6 weeks	16.5 weeks
SENDIST	The average time taken from the date of receipt of the application to the date when the notification of the written decision is issued	4.3 months (19 weeks)	17.6 weeks	22.5 weeks	
	The percentage of:	Cases registered	96%	n/a	92%
		Case statements exchanged	96%	n/a	91%
		Decisions issued Within 10 working days	80%	n/a	76%

## Annex C

### Performance against other performance indicators

Tribunal	Key Performance Indicators	Target	Performance 2005-06	Performance 2006-07
ALR	The percentage of beneficial interest cases processed in 20 weeks	90%	n/a	71%
	The percentage of cases disposed of in 50 weeks	n/a	n/a	54.2%
TCO	The percentage of applications disposed of in 10 weeks	80%	87%	54%
	The percentage of appeals disposed of in 20 weeks	70%	73%	76%
	The percentage of all work disposed of in 30 weeks	85%	92%	93%
	Average waiting time from lodgement of appeal to final disposal	20 weeks	20 weeks	20 weeks
FSMT	The percentage of cases disposed of within 40 weeks	60%	74%	78%
GRP	The percentage of cases disposed of within 50 weeks	75%	n/a	97%
IST	The percentage of cases disposed of in 30 weeks	80%	82%	93%
Info	The percentage of cases disposed of within 24 weeks	75%	n/a	52%
Lands	The percentage of cases disposed of within 50 weeks	60%	67%	72%
PAT	The percentage of cases disposed of in 20 weeks	80%	72%	77%
	Overall waiting time from lodgement of appeal to final disposal	20 weeks	20.5 weeks	20.7 weeks
PRT	The percentage of cases disposed of within 50 weeks	60%	n/a	100%
SCIT	The percentage of cases disposed of within 40 weeks	60%	72%	63%
Transport	The percentage of cases disposed of in 16 weeks	90%	83%	87%
VAT	The percentage of Cat 1 and 3 cases disposed of in 70 weeks	50%	67%	59%
	The percentage of Cat 2 cases disposed of in 35 weeks	70%	80%	84%

## Annex D Staffing levels, Judiciary and Annual Disposals

Tribunal	Staff	Judicial Salaried	Judicial Fee-Paid	Disposals 2005-06	Disposals 2006-07
SSCSA	643	70	1,704	262,857	254,344
AIT	1,003	245	503	114,692	166,191
ETS (inc EAT)	577	116	2,242	87,918	104,413
MHRT	85	2	1,098	10,420	18,851
TCO	25	15	15	5,523	5,689
VAT	16	6	145	2,645	3,914
SENDIST	57	0	197	3,231	3,419
CICAP	58	1	72	3,318	3,273
PAT	14	2	79	2,840	2,774
ALR	21	3	10	1,215	1,335
Lands	13	6	3	523	768
GRP	5	2	9	1,288	590
TT	3	0	10	694	443
SCIT	2	5	32	235	349
Info	3	0	46	27	60
FSMT	1	0	23	38	25
IST	1	0	18	20	13
PRT	0	8	17	0	5
Smaller Tribunals <sup>3</sup>	0	46	16	1	5
<b>Total</b>	<b>2,527<sup>4</sup></b>	<b>527</b>	<b>6,239</b>	<b>497,485</b>	<b>566,461</b>

<sup>3</sup> Smaller tribunals (such as SIAC) have no dedicated administrative staff but are supported through AIT.

<sup>4</sup> Staff numbers exclude Headquarters and Corporate Service staff.

## Annex E

### Success rates in main tribunal jurisdictions

Tribunal	2005-2006	2006-2007
AIT (Asylum)	19%	21%
AIT (Immigration)	32%	32%
AIT (Visit Visa)	39%	38%
AIT (Human Rights/Deprivation of Citizenship/Race Discrimination)	17%	22%
AIT Immigration (Managed Migration)	26%	30%
AIT Immigration (Entry Clearance)	35%	33%
ET	18%	13%
SSCSA	44%	44%
CICAP	47%	50%
MHRT	14%	16%
SENDIST	75%	82%

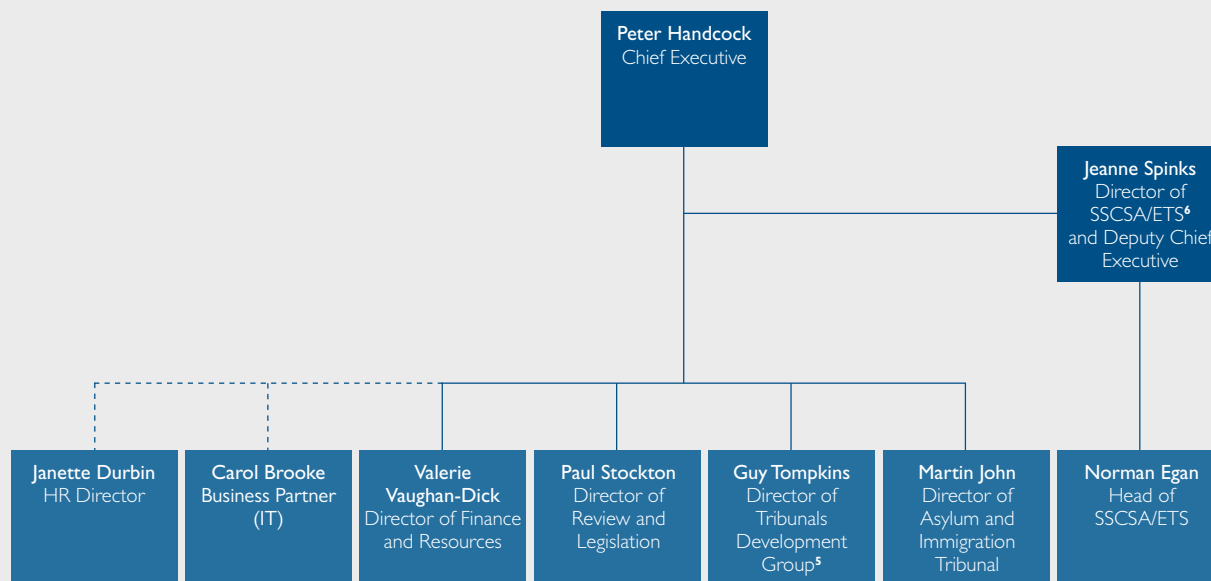
## Annex F

### List of abbreviations

Tribunal	Other		
<b>AIT</b>	Asylum & Immigration Tribunal	<b>Acas</b>	Advice, conciliation and arbitration service
<b>ALR</b>	Adjudicator to HM Land Registry	<b>CSR</b>	Comprehensive Spending Review
<b>AST</b>	Asylum Support Tribunal	<b>DCA</b>	Department for Constitutional Affairs
<b>CICAP</b>	Criminal Injuries Compensation Appeals Panel	<b>DISC</b>	Development, Innovation and Supports Contract programme
<b>CMST</b>	Claims Management Services Tribunal	<b>DoH</b>	Department of Health
<b>CST</b>	Care Standards Tribunal	<b>DTI</b>	Department of Trade and Industry
<b>ET</b>	Employment Tribunal	<b>DMB</b>	Departmental Management Board
<b>EAT</b>	Employment Appeal Tribunal	<b>DWP</b>	Department for Work and Pensions
<b>ETS</b>	Employment Tribunals Service	<b>ECO</b>	Entry Clearance Officer
<b>FSMT</b>	Financial Services & Markets Tribunal	<b>ETS</b>	Employment Tribunals Service
<b>GAT</b>	Gambling Appeals Tribunal	<b>IAD</b>	Internal Assurance Division
<b>GCIT</b>	General Commissioners of Income Tax	<b>IND</b>	Immigration and Nationality Directorate
<b>GRP</b>	Gender Recognition Panel	<b>HMCS</b>	Her Majesty's Courts Service
<b>Info</b>	Information Tribunal	<b>HQ</b>	Headquarters
<b>IST</b>	Immigration Services Tribunal	<b>HR</b>	Human Resources
<b>Lands</b>	Lands Tribunal	<b>IT</b>	Information Technology
<b>MHRT</b>	Mental Health Review Tribunal	<b>KPI</b>	Key Performance Indicator
<b>PAAC</b>	Pathogens Access Appeal Commission	<b>LSC</b>	Legal Services Commission
<b>PAT</b>	Pensions Appeal Tribunal	<b>MEB</b>	Ministerial Executive Board
<b>PRT</b>	Pensions Regulator Tribunal	<b>NAO</b>	National Audit Office
<b>POAC</b>	Proscribed Organisations Appeal Committee	<b>OGC</b>	Office of Government Commerce
<b>SCIT</b>	Special Commissioners of Income Tax	<b>PSA</b>	Public Service Agreement
<b>SENDIST</b>	Special Educational Needs & Disability Tribunal	<b>PSG</b>	Professional Skills for Government
<b>SIAC</b>	Special Immigration Appeals Commission	<b>SMO</b>	Service Management Organisation
<b>SSCSA</b>	Social Security & Child Support Appeals	<b>SR</b>	Spending Review
<b>TCO</b>	The Commissioner's Office	<b>TS</b>	Tribunals Service
<b>TT</b>	Transport Tribunal	<b>TSMB</b>	Tribunals Service Management Board
<b>VAT</b>	VAT & Duties Tribunal		



## Annex G Management Structure



<sup>5</sup> This group includes:

- Finance and Tax Tribunals
- Lands Tribunal
- Transport Tribunal
- Immigration Services Tribunal
- The Commissioners' Office
- Adjudicator to HM Land Registry
- Information Tribunal
- Gender Recognition Panel
- Criminal Injuries Compensation Appeals Panel
- Mental health Review Tribunal
- Special Educational Needs

<sup>6</sup> Social Security and Child Support Appeals and Employment Tribunals Service

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