



Northern Ireland

Courts and
Tribunals Service

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Annual Report and Accounts



serving the community through the administration of justice

Northern Ireland Courts and Tribunals Service

Annual Report and Accounts for the year ended 31 March 2022

*Laid before the Northern Ireland Assembly
under section 11(3)(c) of the Government Resources
and Accounts Act (Northern Ireland) 2001
by the Department of Justice*

on

1 July 2022



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PART 1 - PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide sufficient information to ensure that the remit and purpose of the Northern Ireland Courts and Tribunals Service (NICTS) is understood. This includes:

- a statement from the Director of NICTS providing his perspective on the performance of NICTS over the period;
- a statement of the purpose and activities of NICTS;
- the key issues and risks that could affect NICTS in delivering its objectives; and
- a performance summary.

FOREWORD BY THE DIRECTOR OF NICTS

I am pleased to introduce the Annual Report and Accounts for 2021-22 for NICTS.

The following sections of this Report describe in more detail what we do and our performance during the past year. I trust that this highlights both the range of services we provide and how we delivered against our targets, in the context of another challenging year due to the ongoing impacts of COVID-19.

I would like to take this opportunity to formally record my thanks and appreciation to colleagues across NICTS for their continued commitment, dedication and professionalism in ensuring an essential public services was delivered. Whether staff have consistently been in the workplace delivering front line services, juggling the challenges of working from home, or a combination of both, it is to their credit that courts and tribunals continued to operate successfully throughout the pandemic and that the Agency continued to deliver against a wide set of commitments and targets.

I would also like to thank the judiciary, the NICTS Board and our many partner organisations and stakeholders for their support as we work our way through this phase of the pandemic and for the contribution they make to the work of NICTS.

As we look ahead, we will no doubt face a range of challenges and opportunities in 2022-23. We will continue to focus on business recovery, taking account of public health advice and guidance and funding constraints. We will also continue to deliver our Vision 2030 Portfolio which will be key to delivering a modernised courts and tribunals service. Our response to COVID-19 has accelerated the introduction of innovative ways of delivering our business and we will seek to build on these as we develop our modernisation plans across the Agency.

Glyn Capper
Acting Director of NICTS

STATEMENT OF PURPOSE AND ACTIVITIES

This is the Annual Report and Accounts for NICTS for the financial year ended 31 March 2022. These financial statements have been prepared in accordance with directions given by the Department of Finance (DoF) in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001.

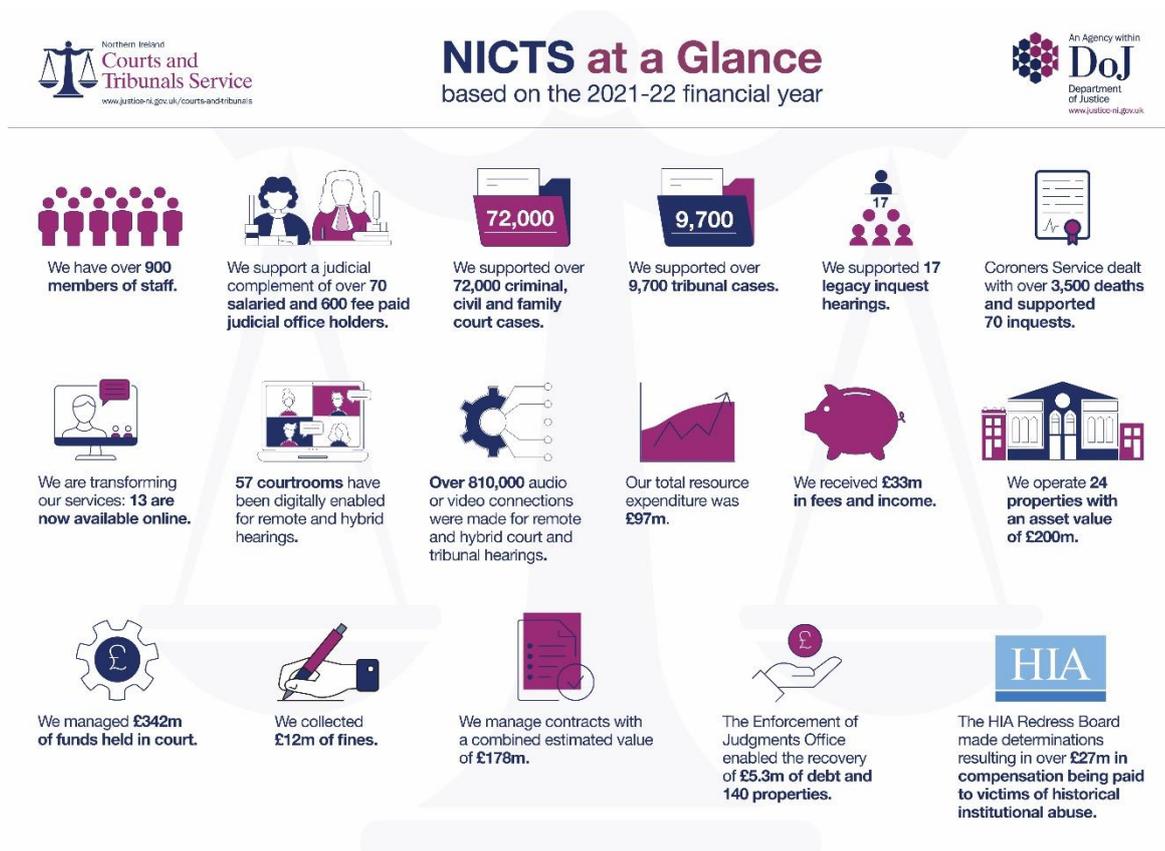
Who we are

NICTS is an Executive Agency of the DoJ in Northern Ireland and is accountable to the Northern Ireland Assembly through the Minister of Justice, Naomi Long MLA (“the Minister”).

The role of NICTS is to:

- support Northern Ireland’s courts, tribunals, Parole Commissioners for Northern Ireland (PCNI), Planning Appeals and Water Appeals Commission (PACWAC) and Historical Institutional Abuse (HIA) Redress Board;
- support an independent Judiciary;
- provide advice to the Department on matters relating to the operation of the courts, tribunals, Enforcement of Judgments Office (EJO) and PCNI;
- enforce civil court judgments through EJO;
- collect and enforce outstanding financial penalties imposed (or registered) by a criminal court through Fine Collection and Enforcement Service (FCS);
- manage funds held in court on behalf of minors and patients;
- provide suitable courthouses and tribunal hearing centres; and
- act as the Central Authority under certain international conventions.

An overview of the work of the Agency is provided below:



Corporate aim and values

Our corporate aim is to “Serve the community through the administration of justice.”

We aim, at all times, to demonstrate the following corporate values:

Integrity	to interact with our customers with the highest degree of integrity, promoting an atmosphere of honesty and trust;
Openness	to undertake our work in an open and transparent manner;
Professionalism	to conduct our business to the highest standard;
Accountability	to be responsible for delivering a high quality service to the public; and
Fairness	to treat everyone fairly.

How we are structured

Information on our structure is included in the appendices to this Annual Report and Accounts:

- Appendix 1 Administrative Court Divisions;
- Appendix 2 NICTS Structure; and
- Appendix 3 Judicial Complement in Northern Ireland.

The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of NICTS and is available on the NICTS website at www.justice-ni.gov.uk/courts-and-tribunals.

Shared Services

The Agency makes use of a number of Departmental and Northern Ireland Civil Service (NICS) centralised functions including:

- Human Resources - NICS HR¹ and HR Connect;
- Procurement - Central Procurement Directorate (CPD);
- IT services - IT Assist (for PCs and Network Services) and NI Direct (for call handling and citizen facing services);
- Finance functions - Account NI;
- Management information - DoJ Analytical Support Group (ASG);
- Legal services - Departmental Solicitor's Office (DSO); and
- Internal Audit Services - NICS Group Internal Audit and Fraud Investigation Services within the Department of Finance (DoF) incorporates the DoJ Internal Audit team.

Working with partners

Courts and tribunals are an important component of the justice system in Northern Ireland and the Agency works with a wide range of partners and other justice system stakeholders. These include:

- Lady Chief Justice's Office (LCJO);
- The Law Society of Northern Ireland;
- The Bar of Northern Ireland;
- Guardian Ad Litem Agency;
- The Public Prosecution Service (PPS) for Northern Ireland;
- The Police Service of Northern Ireland (PSNI); and
- Voluntary sector organisations.

The pandemic has brought these relationships into even clearer focus and emphasised the positive impact achieved through close collaboration. The Agency's relationships with stakeholders and providers are central to its work and the ongoing recovery of court business.

New Ways of Working

The response to the COVID-19 pandemic demonstrated the resilience, capability and willingness of staff to respond at pace and to safeguard business continuity. While many staff were required to deliver essential services from their office locations throughout the pandemic, other staff have

¹ NICS HR is the NICS' centralised human resources function. It falls under the responsibility of the DoF

delivered key functions remotely or on a hybrid basis during this period.

A NICTS New Ways of Working Implementation Group was established to prepare for a phased implementation of new ways of working, including the launch of the NICS Hybrid Working Policy. Subject to a future removal of the requirement for social distancing within the workplace, NICTS will be well positioned to go live with new ways of working as soon as COVID-19 guidance allows.

Support for the Northern Ireland Judiciary

NICTS is responsible for providing administrative support to the Northern Ireland Judiciary. There are 71 salaried judicial office holders, 56 deputy court judicial officers, 109 Lay Magistrates, 38 Parole Commissioners, 20 PACWAC Commissioners and 384 tribunal members.

The Lady Chief Justice of Northern Ireland, the Rt Hon Dame Siobhan Keegan, is head of the Judiciary and President of the Courts of Northern Ireland. In addition, she is responsible for:

- assigning the Judiciary to the courts, listing business with the courts and determining sitting times;
- dealing with complaints against members of the Judiciary. The Code of Practice on Complaints and the Protocol on Judicial Discipline are published on the judiciary on the Northern Ireland website (<https://judiciaryni.uk/>);
- maintaining arrangements for the welfare, training and guidance of the Judiciary; and
- representing the views of the Northern Ireland Judiciary to Parliament and, when sitting, to the Northern Ireland Assembly.

The Lady Chief Justice, is supported by the Presiding Coroner (The Hon Mr Justice Humphreys), the Presiding County Court Judge (His Honour Judge Fowler, Recorder of Belfast), the Presiding District Judge (Magistrates' Courts) (Judge McGarrity), the Presiding District Judge (Judge Duncan), the Presiding Master (Master McCorry) and the Presiding Lay Magistrate (Ms Carruthers). Further information on the judicial complement can be found in Appendix 3.

Principle Risks and Uncertainties

NICTS has well-established governance structures that include the identification and mitigation of risks within a formal risk management process. A risk management review is commissioned each quarter across all areas of the Agency and a Corporate Risk Register is maintained reflecting the Departmental format and scoring methodology. The Corporate Risk Register is reviewed each quarter by the Senior Management Team and is presented to the Audit and Risk Assurance Committee (ARAC). Each risk is pro-actively managed with controls and countermeasures agreed, with a view to minimising impact on the objectives of the Agency.

Strategic risks are regularly reviewed and scrutinised by the Agency Board and the ARAC. A summary of the organisation's key risks identified in 2021-22 include:

- resources;
- business recovery;

- accommodation;
- records and information management; and
- Official Solicitor's Office IT System.

The most significant issue faced by the Agency during the reporting period was the continuing impact of the COVID-19 pandemic. Further details on the response to the pandemic, including mitigating actions, are included in the Performance Analysis section.

2021-22 PERFORMANCE SUMMARY

Business Plan

The 2021-22 NICTS Business Plan was approved by the Agency Board in June 2021. The plan reflected the key priorities and what could realistically be achieved in the context of the COVID-19 pandemic.

The Business Plan sets out Business Objectives to measure the Service's performance. The overarching corporate aim is supported by four key themes:

- deliver efficient and effective Court, Tribunal and Enforcement services;
- deliver high quality services that support an independent Judiciary and meet the needs of our customers;
- develop and lead our people to achieve our business objectives, and
- deliver a controlled financial and commercial environment achieving value for money and robust corporate governance.

As noted in the Business Plan, the Agency is committed to supporting DoJ in delivering the Executive's strategic objectives.

The Executive aimed to bring forward an Outcomes-based Programme for Government (PfG) that is focused on achieving outcomes of societal wellbeing and delivering real and positive change in people's lives. To achieve this a PfG draft Outcomes framework has been developed, which builds on the Outcomes-based approach that has defined strategic planning across the public sector since 2016.

The draft Framework contains nine strategic Outcomes which, taken together, aim to set a clear direction of travel for the NI Executive and provide a vision for the future of all citizens. The Department will play a key role in the delivery of the PfG, once approved, and will directly contribute to a number of the strategic outcomes.

The four themes as mentioned above were translated into actions for delivery across the organisational business areas. The tables in the Performance Analysis section summarise the key activities and priorities as noted in the 2021-22 NICTS Business Plan including a statement on the year end position.

Forward look

The primary focus for the 2022-23 financial year will continue to be business recovery taking account of public health advice and guidance and the availability of funding.

The pandemic required us to change the way in which many aspects of court and tribunal business are delivered, with an increasing reliance on the use of digital technology. As we emerge from the pandemic, we will continue to work in collaboration with LCJO and our justice system partners to agree how best to utilise technology, harnessing the lessons we have learned.

The overall recovery of business will continue to cut across all areas in the Agency through the

management of day-to-day court and tribunal business and the provision of accommodation that remains compliant with public health guidance. While business recovery will be the overriding focus for the Agency over the course of the 2022-23 business year, we will continue to modernise the Agency through the delivery of our Vision 2030 Portfolio which will focus on aspects of digital modernisation, improved service design, the development of our workforce and the modernisation of our estate.

Other key areas of work for the 2022-23 business year include continuing to work with Department for Communities (DfC) to prepare for the effective statutory transfer of The Appeals Service (TAS) pending the establishment of a new NI Executive, and continuing to support the Department in a range of policy initiatives and reforms as set out in the Departmental Business Plan.

The full range of objectives and targets for the incoming business period will be published in the NICTS Business Plan in due course and will be available at: <https://www.justice-ni.gov.uk/publications/north-ireland-courts-and-tribunal-service-business-plan>.

PERFORMANCE ANALYSIS

Performance against Business Plan for 2021-22

As noted above the Business Plan for 2021-22 set out Business Objectives to measure the Agency's performance.

More detail on how NICTS performed against our four themes is set out in the following tables including a statement on the year-end position:

Theme 1: Deliver efficient and effective Court, Tribunal and Enforcement services			
Ref	Area	Objective	Position at 31 March 2022
1.1	Recovery	Continue to work collaboratively with justice partners to support recovery of the justice system taking account of the prevailing public health guidance.	<p>Achieved</p> <p>All courts, with the exception of two of the smallest hearing centres, are now open for business. Additional courts were listed from September 2021. Additional courtrooms were commissioned to facilitate jury trials and multi-defendant cases. Use of virtual or hybrid hearings continued with an average of 70,000 remote connections per month. Social distancing measures, enhanced cleaning regimes, hand sanitation stations, appropriate signage, guidance for court users and risk assessments remained in place.</p> <p>The most recently published Quarterly Statistical bulletins show that during the quarter January to March 2022, there were 7.5% more Magistrates Court sittings, 23.8% more Crown Court sittings, 30.6% more County Court sittings, 10.2% more High Court sittings, and 8.2% more Children's Order sittings when compared to the same period in 2020.</p>

Theme 1: Deliver efficient and effective Court, Tribunal and Enforcement services			
Ref	Area	Objective	Position at 31 March 2022
1.2	Recovery / People	To complete a review of accommodation requirements to support business recovery taking account of the NICS New Ways of Working Project.	Achieved The planned accommodation review has been completed. A NICTS New Ways of Working Implementation Group has been established.
1.3	Recovery	To reopen Banbridge Courthouse as a further Nightingale venue.	Achieved The recommissioning of Banbridge Courthouse was completed and the venue became fully operational in May 2021. In addition to Coronial work the venue is also available to the Parole Commissioners and other tribunal business.
1.4	Reform – Statutory Transfer	Continue to work with the Department for Communities to prepare for the effective statutory transfer of TAS.	Achieved Plans were well advanced for the transfer of TAS and Rent Assessment Panel from the DfC. In the absence of a First and Deputy First Minister, it was not possible to complete the transfer during the previous mandate.

Theme 2: Deliver high quality services that support an independent Judiciary and meet the needs of our customers			
Ref	Area	Objective	Position at 31 March 2022
2.1	Reform	Support delivery of justice reform projects including Committal Reform, implementation of Gillen recommendations (Civil / Family & Serious Sexual Assault), Domestic Abuse Bill and modernisation of the Civil Justice System.	<p>Achieved</p> <p>NICTS worked collaboratively to support delivery of the Domestic Abuse Bill by the agreed date of 21 February 2022.</p> <p>The Agency supported the temporary extension of livelink provisions to support the overall COVID-19 recovery plan and completed the installation of two new remote evidence centres in 2021-22.</p> <p>Work supporting Committal Reform, Gillen recommendations and civil justice modernisation remains on track.</p>
2.2	Performance	Support delivery of the scheduled inquest caseload for 2021-22.	<p>Achieved</p> <p>COVID-19 recovery work on Year 1 and Year 2 inquests has continued with a number of inquests completed and findings delivered. The Legacy Inquest Unit (LIU) continues to work with the Presiding Coroner and assigned coroners on the listing and hearing of these inquests. A schedule of Year 3 inquests has been announced by the Presiding Coroner.</p>
2.3	Reform	Implement the accepted recommendations arising from the Criminal Justice Inspection Northern Ireland (CJINI) report on FCS.	<p>Partially Achieved</p> <p>The report made two strategic and five operational recommendations with a further three areas for improvement. All recommendations were accepted with seven falling to NICTS. Three recommendations have been successfully</p>

Theme 2: Deliver high quality services that support an independent Judiciary and meet the needs of our customers			
Ref	Area	Objective	Position at 31 March 2022
			implemented. Due to a number of factors including the impact of the pandemic on resources, and the availability of IT service provider expertise, the remaining recommendations will now be progressed in 2022-23.
2.4	Modernisation of Service Delivery	<p>As part of the Modernisation Portfolio, modernise our estate to ensure it supports new ways of working by:</p> <p>Progressing the Outline Business Cases for three major capital projects;</p> <p>Completing a draft of the Estate Strategy document; and</p> <p>Progressing the development of a five year capital programme.</p>	<p>Partially Achieved</p> <p>Work on the North West Accommodation project was delayed due to the re-allocation of resources to other estate priorities during the pandemic. Key milestones and the overall Project Plan have been revised and will be taken forward in future delivery plans.</p> <p>Work is progressing on the Royal Courts of Justice (RCJ) project and the refurbishment of the Old Town Hall, with procurement exercises to appoint the supporting design initiated.</p> <p>A "State of the Estate" report has been developed and presented to Agency Board to inform the future capital programme and Estate Strategy.</p>
2.5	Modernisation of Service Delivery	<p>As part of the Modernisation Portfolio, deliver an agreed programme of digital modernisation and service redesign projects including:-</p> <ul style="list-style-type: none"> • Deliver the 21-22 Courtroom Technology Refresh Project in line with the agreed timetable to facilitate the display of digital evidence in court. • Finalise and publish NICTS Digital Strategy for the delivery of future digital justice solutions. 	<p>Substantially Achieved</p> <p>A total of 57 courtrooms have been upgraded with new audio and video technology to facilitate digital justice initiatives, including the display of digital evidence in court.</p> <p>The NICTS Digital Strategy was published on 17 January 2022.</p>

Theme 2: Deliver high quality services that support an independent Judiciary and meet the needs of our customers			
Ref	Area	Objective	Position at 31 March 2022
		<ul style="list-style-type: none"> • Deliver digital projects set out in the Digital strategy roadmap for 2021-22 including progressing an electronic case bundles solution. • Implement the Probate Online Portal Project. • Progress and implement a new case management system for Official Solicitor's Office (OSO)/ Office of Care and Protection (OCP) and the PACWAC. 	<p>An e-bundles pilot was completed in the High Court during 2021-22.</p> <p>A new Probate Online Portal was implemented in June 2021 for grants of probate/ letters of administration and in November 2021 for caveats.</p> <p>The procurement phase for a new case management system for OSO/ OCP was completed in May 2021. The design phase was completed in December 2021 with implementation currently scheduled for October 2022.</p> <p>Procurement of a new case management system and online portal for PACWAC was completed in October 2021 with a new system planned for implementation in May 2022.</p>

Theme 3 & 4: To develop and lead our people to achieve our business objectives and deliver a controlled financial and commercial environment achieving value for money and robust corporate governance			
Ref	Area	Objective	Position at 31 March 2022
3.1	People	Support and promote leadership development of the Agency's people.	<p>Partially Achieved</p> <p>The development of our People Strategy was impacted by COVID-19. However, progress was made in a number of areas such as induction training for new Court Clerks and a People Strategy Working Group was established to develop proposals to build and strengthen leadership capability at all levels of NICTS.</p>
3.2	People	Develop a People Plan as part of the Modernisation Programme.	<p>Partially Achieved</p> <p>A People Programme was established in Autumn 2021. Initial work focused on the development of a new corporate induction programme and preparation for the implementation of the NICS New Ways of Working. The People Strategy and associated delivery plan will be completed in 2022-23. A People Strategy Working Group was established with membership including staff and trade union representatives.</p>
4.1	Budget	Ensure the effective management of the Agency's budget to maximise efficiency and utilise resources for maximum effectiveness.	<p>Achieved</p> <p>The year-end financial position reflects an underspend of 2% of overall Resource DEL budget.</p>
4.2	Sustainability	Promote and manage the Department's sustainability agenda and target of a 5% reduction in carbon emissions, relative to 2019-20.	<p>Not Achieved</p> <p>It was not possible to achieve the carbon reduction target primarily due to the continued requirement for increased fresh air ventilation as a COVID-19 mitigation.</p>

COVID-19 Pandemic – Impact and Business Recovery

Court Operations

The key focus for the 2021-22 business year was managing the recovery of court and tribunal business from the impact of COVID-19, taking account of the prevailing public health guidance.

The positive steps taken during the initial steps of the pandemic in 2020-21 to recover business continued during the period of this report.

The ongoing use of remote and hybrid hearings enabled cases to proceed and has proven effective in the use of court time, reducing waiting time, travelling time and costs for many participants. Virtual courtroom capacity has significantly increased, using Sightlink and WebEx video conferencing technology, enabling a mixture of physical, remote and hybrid hearings. In total over £3 million has been invested in courtroom technology during the pandemic.

As part of the continued response to the pandemic, a key control has been managing the need to attend court for physical hearings. Regular engagement with key stakeholders across the justice system including LCJO, legal profession and justice organisations has continued to provide clarity on the most up to date operating arrangements and address areas of concern.

Work has continued to maximise the number of courtrooms available to safely deliver business while maintaining compliance with public health guidance. This has been an important element of the overall recovery plan, bringing additional hearing facilities into use in a safe manner ensuring both staff and court users continue to have confidence in the public health measures deployed at local venues. This has included robust social distancing measures, enhanced cleaning regimes, hand sanitation stations, appropriate signage and clear guidance for court users. Key achievements during the period of the report include:

- extensive refurbishment work was completed to facilitate recovery of Crown Court business. Two further COVID-19 secure jury courtrooms are now operational at Coleraine and Craigavon. Additional work was also completed to facilitate multi-defendant trials at Dungannon and Antrim;
- the reopening of Strabane Courthouse in January 2022, all courthouses with the exception of the two smallest hearing centres have now reopened;
- A programme of work to install Wi-Fi enabled carbon dioxide monitors throughout the estate commenced; and
- the most recently published Quarterly Statistical bulletins show that during the quarter January to March 2022, there were 7.5% more Magistrates Court sittings, 23.8% more Crown Court sittings, 30.6% more County Court sittings, 10.2% more High Court sittings, and 8.2% more Children's Order sittings when compared to the same period in 2020.

Much court business has now returned to, and in many cases slightly exceeds, levels of business pre COVID-19. Across many areas, the number of court sittings and hours are now higher than during the same period in 2019-20, prior to the pandemic. Progress in reducing the backlog of cases in the criminal justice system is monitored regularly by the Criminal Justice Board.

Criminal Business

In the Magistrates Court there were almost 10,000 more cases dealt with during 2021-22 than in 2020-21, a rise of approximately 35%. The investment in jury trial courtrooms has seen an increase of almost 50% in the number of Crown Court cases being dealt with between 2020-21 and 2021-22.

Civil Business

The County Court has seen an increase of almost 8,800 in the number of cases dealt with during 2021-22 compared to 2020-21, an increase of 55%. There have also been significant increases in the volume of cases dealt with across most of the Divisions within the High Court.

Family Business

While overall there was a 44% rise in the number of Family Courts cases disposed during 2021-22, disposals in Children's Order cases and in Divorces rose by over 50%.

Tribunals and Enforcement Division

Tribunal Business

The Tribunals Hearing Centre continued normal business activity through a combination of office and home-based working. The introduction of remote hearing technology has been instrumental in ensuring continuity of service for appellants during the pandemic. Case disposal performance has returned to pre-pandemic levels with parties to proceedings increasingly opting for a choice of video and audio hybrid hearings across all tribunals. A limited number of face-to-face hearings have also been accommodated on request. The introduction of a cloud-based solution to facilitate the secure digital exchange of information with tribunal panel members and government Departments has helped realise significant efficiencies while also ensuring the security of sensitive data through the provision of electronic evidence bundles for remote hearings.

Case listing has steadily increased across tribunals. The case disposal target for Review Tribunal (Mental Health Order) cases was met while performance against the target for Mental Capacity Act (MCA) cases improved.

The volume of Review Tribunal MCA referrals remains high and will exceed 2,000 in the current business year. A joint Department of Health/Review Tribunal led working group has been established to consider the MCA statutory framework and referral processes with a view to streamlining working practices.

The Appeals Service (TAS)

Hearings continue to be delivered through a range of hearing methods. Eleven venues have now been modified to take forward requests for face-to-face hearings while continuing to meet the necessary public health measures.

A case progression pilot commenced to assess the effectiveness of a case management review prior to first hearing to help reduce the overall adjournment rate. The review will be conducted by a legally qualified panel member and it is anticipated the pilot will make the first hearing more effective with appeals only listed when ready for hearing.

Plans were well advanced to facilitate the transfer of TAS and Rent Assessment Panel (TASRAP) from DfC to DoJ. However, in the absence of a First and Deputy First Minister, it was not possible to complete the Transfer of Functions Order and move a motion in the Assembly resulting in a delay in transferring the tribunal. DoJ remains committed to the transfer and will, as soon as is practicably possible re-commence work in this area.

Enforcement of Judgments Office (EJO)

New applications for the recovery of money debts increased during 2021-22 but remain below the levels received prior to the pandemic. Repossession activity has increased both in terms of reactivating suspended cases and new repossession cases lodged. The EJO management team continued to support staff working from home with new IT enhancements to facilitate hybrid working and improve digital storage and access. EJO has also continued to develop training with a new staff manual drafted to support the new ways of working. An interface with Her Majesty's Revenue and Customs (HMRC) went live in January 2022, providing EJO staff with real time access to information.

Fine Collection and Enforcement Service (FCS)

The necessary legislative change to add Universal Credit to the list of deductible benefits for fine recovery has been implemented and is now fully operational. The backlog of Universal Credit cases is nearing completion with the total monthly deduction from benefit recovery increasing each month. The FCS team has continued to pursue the recovery of outstanding fines and recovered £2.8m during 2021-22. A legacy case team to deal with the recovery of outstanding fines in cases that pre date June 2018 has been established.

Vision 2030

The pandemic impacted the progress of some aspects of the Vision 2030 Modernisation Portfolio as staff resources were diverted to respond to the public health situation. During 2021-22 the focus moved from responding to the immediate impacts of the pandemic, to supporting business recovery efforts, balancing health and safety obligations with the wider relaxing of restrictions in society. This work focussed around workplace risk assessments, Jury Court refurbishments, the provision of 'Nightingale' facilities including the use of the ICC in Belfast, the reopening of Banbridge courthouse, and the rollout of digital audio and video enhancements in courtrooms and hearing rooms.

The Vision 2030 team successfully progressed a number of projects under the guidance of the new Chief Modernisation Officer.

A People Strategy Working Group, comprising staff from across all areas of NICTS was established to support the delivery of a new People Strategy based on the five pillars of: skills, leadership, engagement, wellbeing, and resourcing.

Throughout the reporting period, the Vision 2030 team worked with key stakeholders, staff and the judiciary to deliver the NICTS Digital Strategy 2021-2026 published in January 2022.

Critical to the delivery of the strategy is the procurement and implementation of a new core technology platform for courts and tribunals to replace the NICTS established line of business systems and online services. A Pre-Market Engagement exercise for future services was completed in this reporting period with the intention to commence a procurement later in 2022.

The Courtroom Technology refresh project has delivered upgraded audio and video technology to 57 courtrooms to facilitate digital justice initiatives and Wi-Fi has been installed across the NICTS court estate.

An e-bundles pilot, led by the Judicial Digitalisation Steering Group with support from the NICTS Digital Modernisation Programme, was successfully completed in a number of High Court cases to help inform judicial requirements and identify short-term solutions that could be implemented to reduce the amount of paper required in court. Engagement continues with LCJO to plan for introduction of the use of e-bundles within the High Court in 2022.

Following engagement with solicitors, personal applicants, staff and judiciary to redesign and modernise the probate process, a new Probate Online Portal was implemented in June 2021 for grants of probate/letters of administration and in November 2021 the range of services was extended to include caveats. Feedback from users has been very positive, with processing times significantly reduced.

The Service Design Team also took forward a number of projects including the procurement of a new case management system for the Official Solicitor's Office (OSO) and the Office of Care and Protection (OCP) in the High Court, due to go live in October 2022 and a new case management system and online portal for PACWAC due to go live in May 2022.

A "State of the Estate" report was developed providing a robust assessment of the condition of each venue within the NICTS Estate. This report is the first component of an evidence base that will help inform a future NICTS Estates Strategy.

Work has progressed on a project to upgrade the infrastructure in the Royal Courts of Justice with the procurement of the design team completed during March 2022. Progress on the North West Accommodation Project has been subject to delays due to the re-allocation of resources to manage a series of priority COVID-19 business recovery projects. However, some progress has been made and the Agency procured the commission of a Conservation Management plan for Londonderry Courthouse.

Banbridge Courthouse was recommissioned and the venue became fully operational in the summer of 2021. The venue, including the courtroom itself and additional office accommodation, has proven ideal for hosting non-jury inquests with positive feedback from users.

It was not possible to achieve the carbon reduction target for 2021-22 primarily due to the continued requirement for increased fresh air ventilation as a COVID-19 mitigation. However, pilot projects have been initiated for LED lighting, demand-controlled ventilation, and solar photovoltaics, with a scheme at Laganside Courts projected to reduce electricity consumption by 8%.

Reducing energy demand and choosing low carbon solutions will remain a key priority for the Agency to help the Department and NI Executive meet carbon targets and reduce operating costs. As part of its overall approach to asset management, the Agency has developed an Energy dashboard, which allows detailed interrogation of energy and sustainability metrics.

Coroners Service for Northern Ireland (CSNI)

Inquests are an essential part of the justice system that provide a means of investigating the circumstances into how a person died. An inquest can be traumatic for families but it can also

provide answers which may help with the grieving process. Throughout the reporting period the CSNI has seen a progressive increase to the number of inquests scheduled whilst still operating within the challenges of a COVID-19 compliant court estate.

While the number of inquests held are not yet back to pre COVID-19 levels, through the optimum use of available court accommodation and court technology, there was a 74% increase in the number of inquests heard from the last reporting period.

Legacy Inquest Unit (LIU)

COVID-19 recovery work has continued throughout 2021-22. The LIU worked closely with the Presiding Coroner, Mr Justice Humphreys, wider judiciary, stakeholders and next of kin to find ways to mitigate the pandemic's impact on the overall timeline to deal with outstanding legacy inquests.

The Presiding Coroner conducted two Case Management Reviews in June 2021 and February 2022 and subsequently scheduled inquests in Years 2 and 3 of the Plan. During 2021-22, two Year 1 cases were completed and findings delivered. In addition the findings were delivered in the Ballymurphy series of inquests. Three further cases were completed and findings are awaited.

Analysis of COVID-19 related expenditure for the 2021-22 reporting period

Total COVID-19 expenditure during 2021-22 amounted to £7,803k comprising non-ringfenced Resource DEL of £7,570k (2020-21 £9,774k) and Capital DEL of £233k (2020-21 £183k). This was funded as follows:

	Outturn	Funded by DoJ allocation	Funded by Executive allocation	Funded from NICTS budget
	£000	£000	£000	£000
Non-ringfenced Resource DEL	7,570	-	7,319	251
Capital DEL	233	-	200	33

This was primarily used to cover items such as a loss of income due to COVID-19, Deputy Judicial cover and staff costs to address the backlog of cases, Jury courtroom refurbishment, Nightingale Courts and additional court running costs such as security and cleaning.

Fraud and error analysis on COVID-19 government support schemes

NICTS made use of the supplier relief scheme introduced by the Department for the Economy. This scheme was introduced at the onset of COVID-19 to ensure Government departments continued to pay their suppliers as quickly as possible to maintain cash flow and protect jobs. NICTS Contracts Branch monitored each supplier relief scheme, adhering to government guidelines to guarantee the provision of essential services. It is recognised that fraud risks increase in times of change or crisis. NICTS adopted measures to mitigate those risks including:

- ensuring that there was an effective route for employees and suppliers to raise concerns

about possible fraudulent activity;

- timing to test internal controls, particularly in areas of increased risk; and
- ensuring that staff reassigned to unfamiliar work were given appropriate training, guidance and supervision.

An analysis of EU Exit related expenditure for the 2021-22 reporting period

Total EU Exit expenditure during 2021-22 was £57k (2020-21 £82k) ringfenced Resource DEL funded by DoJ. This expenditure related to staff costs to address the post exit co-operation measures between Central Authorities and Competent Authorities of Member States. Anticipated expenditure in relation to Criminal Contingency Planning in the event of public disorder did not materialise. There was a complement of 1.05 staff resource devoted to EU Exit during 2021-22.

EU Exit

It is just over twelve months into the post EU Exit environment and the operational implications and out workings of the Withdrawal Agreement continue to present the main administrative challenge to NICTS.

Criminal Justice

The Withdrawal Agreement allows the UK to enter into 'bilateral arrangements' with EU Member States to maintain Criminal Justice operational co-operation. While the Department leads on these issues with the UK Government, NICTS Operational Policy Branch continues to participate in the Home Office Cross Agency Group monthly meetings in relation to Extradition matters (CAGE). No significant impacts on court business have arisen during 2021-22.

Civil and Family Justice

These matters have proven to be the most complex to work through since the end of the Transition Period. NICTS continue to engage closely with other UK central authorities, Ministry of Justice (MoJ) colleagues and other Member State central authorities in order to identify and mitigate risks and seek solutions to the practical application of the Withdrawal Agreement on casework across a broad range of civil and family business.

Policy Support

The Agency continued to support the DoJ in a range of reform and policy initiatives.

Domestic Abuse Legislation

Despite the challenges presented by business recovery, NICTS continued to work collaboratively with criminal justice partners to deliver the Domestic Abuse and Civil Proceedings Act (Northern Ireland) 2021, which came into force on 21 February 2022. The legislation creates a new domestic abuse offence and offers greater protections to all victims and survivors of domestic abuse. The introduction of the offence and associated aggravators has seen one of the most significant changes to the criminal justice system in many years and required extensive collaborative work to deliver the complex ICT, operational, training and communication requirements against the backdrop of a challenging delivery deadline.

Substance Misuse Court (SMC)

The SMC is one of the projects established under the DoJ's Problem-Solving Justice (PSJ) initiative. The aim of the SMC is to target defendants whose offending behaviour was driven by drug misuse, alcohol misuse, or both, and to provide them with support to help turn their lives around. Commencing at Belfast Magistrates' Court in April 2018, the SMC is open to defendants who met the criteria, with initial screening occurring to determine suitability before undergoing full assessment once deemed suitable by a District Judge. The SMC includes elements of substance testing, therapeutic intervention, access to social support and regular court attendance with clients spending 6-9 months on the programme. Clients remained under the supervision of the District Judge throughout the process and if, at any stage, are deemed unsuitable or progress was unsatisfactory, they were referred to the judge for sentencing. Following successful completion of the SMC, clients were referred back to the District Judge who determined the final sentencing outcome, taking into account participation on the programme.

February 2022 saw the publication of the second SMC evaluation report, which covered the period January 2019 to March 2021. The report was positive in terms of participant outcomes and stakeholder observations and paved the way for the Laganside SMC Court to be baselined within the Belfast Combined Courts schedule and will be a reference point in future years should funding be available to extend provision beyond Belfast.

Other Policy Development

NICTS staff continued to support the Department in a range of initiatives aimed at speeding up justice, better supporting victims and witnesses of crime, litigants in persons and families as they navigate the justice system. This included the first delivery phase of remote evidence centres in Belfast and Craigavon, the temporary extension of livelink provisions as provided for in the Coronavirus Act, and a scoping exercise to review and update the Children Order Advisory Committee Best Practice Guidance, with the aim of delivering a revised digital version in 2022-23.

In addition, we worked with DoJ colleagues to ensure the Criminal Justice (Committal Reform) Act (Northern Ireland) 2022 came into law on 7 March 2022.

NICTS also worked with the Ulster University (UU) over a twelve month period to develop and review a pathfinder tool, which will supplement the UU Litigant in Person (LiP) website, providing a repository of information and guidance for LiPs in advance of coming to court or as an alternative to court.

FINANCIAL REVIEW

Accounting Boundary

The accounting boundary specifically excludes the funds invested by Court Funds Office (CFO) and third party monies. CFO publishes separate audited financial statements.

Details of income (fines, confiscation orders, fixed penalties and other monetary penalties) collected as an agent for the Northern Ireland Consolidated Fund (NICF) will be disclosed in the NICTS Trust Statement, in accordance with the Accounts Direction Dear Accounting Officer (DAO) (DFP) 03/13. The Trust Statement is published separately from these accounts.

Budgeting framework

DoF is responsible for management of the NI Executive Budget process in line with a budgetary framework set by HM Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure; which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

HM Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. Departments monitor AME forecasts closely and this facilitates reporting to DoF, who in turn report to HM Treasury.

As DEL budgets are understood and controllable, HM Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. Following the resignation of the First Minister and the subsequent lack of an Executive, a Budget for 2022-23 could not be finalised. The Finance Minister wrote to departments to set out a way forward in the absence of an Executive to agree a local Budget that will set DEL controls for Executive departments. This process involved DoF issuing departments with contingency planning envelopes for the 2022-23 financial year. These envelopes provided departments with an assessment of the minimum funding they could reasonably expect for 2022-23 and allowed departments to plan for expenditure until such times as a Budget could be agreed.

DEL budgets are classified into resource and capital:

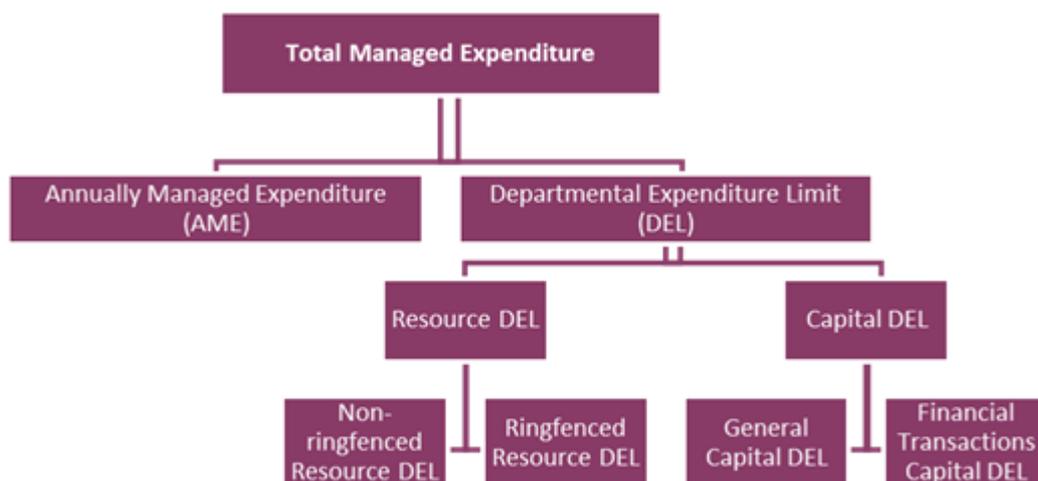
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets; and
- Capital DEL is split into 'financial transactions' for loans given or shares purchased and 'general capital' for spending on all other assets or investments.

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury:

www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022.

Budget structure



Budgetary performance

Details of performance against Budgetary Control totals is set out in the table below for 2021-22.

	Provisional Outturn 2021-22 £000	Final Plan 2021-22 £000	Underspend/ (Overspend) £000	%
Non-ringfenced DEL - Income	(32,669)	(36,969)	(4,300)	(12)%
Non-ringfenced DEL - Expenditure	87,887	93,241	5,354	6%
Total non-ringfenced DEL	55,218	56,272	1,054	2%
Ringfenced DEL	8,441	8,471	30	0%
Total Resource DEL	63,659	64,743	1,084	2%
Net Resource AME	(725)	4,261	4,986	117%
Non-Budget Costs	1,562	1,540	(22)	(1)%
Net Expenditure	64,496	70,544	6,048	9%
Net Capital DEL	4,265	5,373	1,108	21%
Total Expenditure	68,761	75,917	7,156	9%

The main reasons for the variances are outlined below.

The £7,156k underspend is due to:

Resource Departmental Expenditure Limit (Resource DEL)

Non-ringfenced Resource DEL (cash)

The non-ringfenced resource DEL net underspend of **£1,054k** (2% of total budget) mainly relates to underspends in staff costs as a result of unfilled vacancies, judicial fees and non-pay expenditure due to delays in court hearings, and recruitment delays in contract cleaning and security services.

Ringfenced Resource DEL (non-cash)

This is a technical budget that can only be used for costs such as depreciation. The immaterial underspend of **£30k** (0.4% of total budget) was a result of impairment and depreciation being lower than expected.

Annually Managed Expenditure (AME)

The AME underspend of **£4,986k** (117% of total budget) was due to the fine default hearings not progressing as anticipated; a potential liability relating to the O'Brien case was not realised and the significant decrease in the judicial litigation (McCloud) provision.

Non-Budget Costs

The Non-Budget Costs overspend of **£22k** (1% of total budget) was due to higher than anticipated notional charges for HR.

Capital Departmental Expenditure Limit (Capital DEL)

General Capital DEL

The Capital underspend of **£1,108k** (21% of total budget) was due to unforeseen delays in the commencement of projects within the Vision 2030 portfolio, as a result of longer than planned lead times because of supply chain issues with raw materials, meaning that capital plans due to be completed by the end of March have slipped into 2022-23.

Accounts framework

The Annual Report and Accounts ('the Accounts') provides a comprehensive view of the NICTS financial position and performance. The requirement for all NICS departments to produce Accounts is set out in legislation (*Government Resources and Accounts Act (Northern Ireland) 2001*), and every year departments and agencies must prepare a set of Accounts, have them audited by Northern Ireland Audit Office (NIAO) and lay them in the Assembly. The Accounts are prepared in accordance with the Government Financial Reporting Manual (*FReM*) and in line with International Financial Reporting Standards.

Accounts performance

The Net Expenditure for the three most recent financial years is outlined below:

	2021-22 £000	2020-21 £000	2019-20 £000
Total operating income	(32,669)	(25,640)	(32,454)
Staff costs	33,011	31,957	28,225
Purchase of goods and services	55,406	46,911	50,022
Depreciation and impairment charges	8,478	8,404	7,964
Provision expense	(323)	555	1,359
Total operating expenditure	96,572	87,827	87,570
Net operating expenditure	63,903	62,187	55,116
Finance expense	593	700	829
Net expenditure	64,496	62,887	55,945

Further details of Income and Expenditure are contained in Notes 4, 5 and 6 to the Accounts.

Non-Current Assets

Non-current asset expenditure movements are detailed in the notes to the financial statements.

Capital additions in 2021-22 totalled £4,271k (2020-21: £2,773k).

Property, plant and equipment (PPE) additions of £2,322k consist of costs incurred in respect of ongoing capital projects at various locations across the Court Estate. These included costs in respect of hardware for the Courtroom Technology Refresh project and the installation of audio, video and digital recording facilities and screens in courtrooms for families and interested parties to view proceedings remotely. Also included are costs in respect of the rolling energy efficiency scheme to convert the Court Estate to gas and replace inefficient oil boilers with more energy efficient gas boilers as well as costs for the enhancement of CCTV and air conditioning systems. There was refurbishment and structural works at various locations across the Court Estate including physical adaptations at both Craigavon and Coleraine Courthouses to ensure jury trials can take place safely and also the creation of multi defendant docks and canteen renovations at Craigavon Courthouse. Costs were also incurred at Laganside Courts remodelling accommodation to provide additional toilet facilities and to upgrade the solar PV system.

Intangible asset additions of £1,949k were in respect of Integrated Court Operations System (ICOS) and Line of Business (LOB) enhancements, the Probate solution, Database Decision Making Tool, Digital Projects, Online Services and the case management system for OSP and OCP and assets under construction in respect of the ongoing modernisation project.

Financial Position

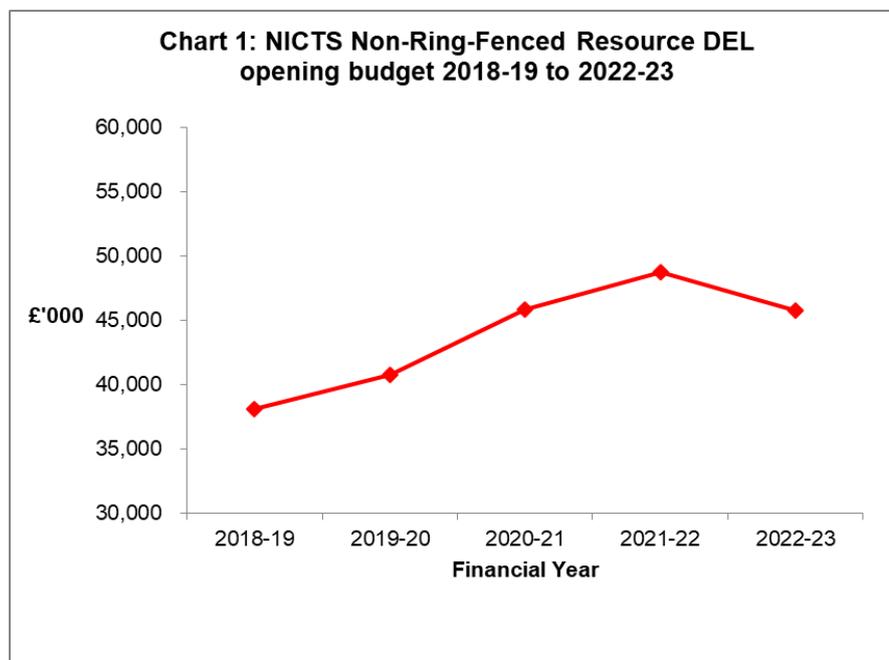
The total net assets of NICTS at 31 March 2022 were £188,972k (2020-21: £185,353k). This is the value of all assets, less the liabilities of NICTS as at the year end.

Cash Flow

As detailed in the Statement of Cash Flows, the NICTS Net Assembly draw down in 2021-22 was £49,475k (2020-21: £53,293k) and the net decrease in cash and cash equivalents in the year is £2,328k (2020-21: increase of £3,403k).

Long Term Expenditure Trends

Chart 1 shows the movement in NICTS non-ringfenced Resource DEL opening budget over the period 2018-19 to 2022-23.



2018-19 to 2020-21 Financial Year

During the period 2018-19 to 2020-21, NICTS non-ringfenced DEL baseline budget increased from £38,083k to £45,820k primarily due to increases for pension and additional funding for NICTS pressures including an amount for inflationary increases.

2021-22 Financial Year

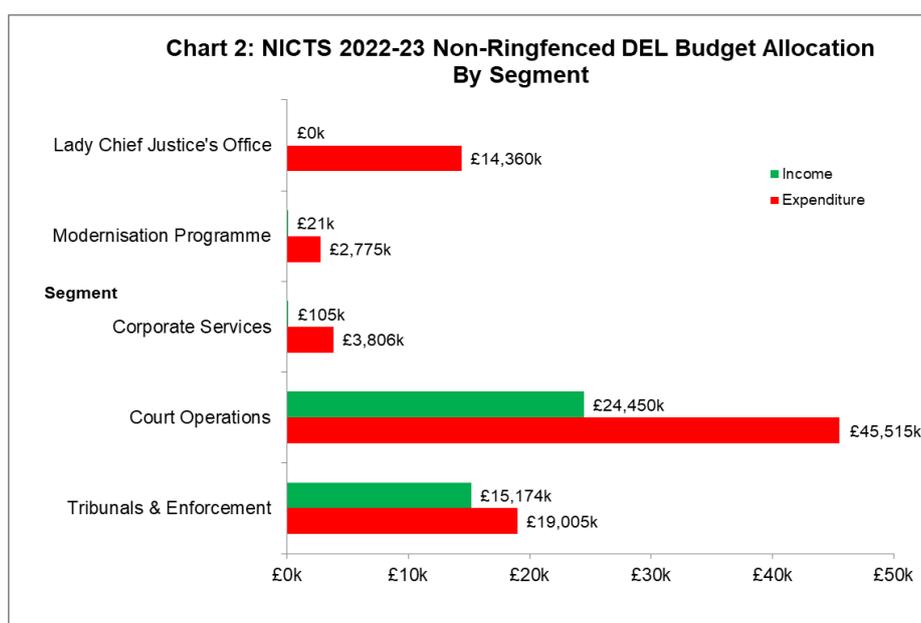
At the beginning of 2021-22 NICTS received a non-ringfenced Resource DEL budget allocation of £48,711k; a net increase of £2,891k on the 2020-21 opening budget allocation. This increased allocation took into consideration a reduction for non-baseline adjustments of £490k, baseline increases of £381k and additional funding of £3,000k to assist towards NICTS COVID-19 pressures. A further £7,561k was allocated in-year to meet inescapable pressures, including those as a result of COVID-19 and Legacy Inquests, which increased the non-ringfenced Resource DEL allocation to £56,272k.

2022-23 Financial Year

Following the resignation of the First Minister and the subsequent lack of an Executive, a Budget for 2022-23 could not be finalised. The Finance Minister wrote to departments to set out a way forward in the absence of an Executive to agree a Budget. The process involved DoF issuing departments with contingency planning envelopes for the 2022-23 financial year. These envelopes provided departments with an assessment of the minimum funding they could reasonably expect for 2022-23 and allow departments to plan for expenditure until such times as the Budget could be agreed.

NICTS has been allocated a non-ringfenced Resource DEL contingency planning envelope (CPE) of £45,711k, in line with the 2021-22 opening baseline excluding COVID-19 pressures funding.

Chart 2 shows the 2022-23 non-ringfenced Resource DEL CPE split by the NICTS segments.



Capital Investment Priorities

The NICTS capital DEL CPE is £4,170k. This will allow a number of important projects to be taken forward, particularly the NICTS Estates Strategy and the Vision 2030 Programme.

Looking Ahead – Budgets beyond 2022-23

Decisions on budgets beyond 2022-23, including the length of the budget period and the funding envelope for the Department, will be a matter for the incoming Executive to consider.

Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the *Government Resources and Accounts Act (Northern Ireland) 2001*. The C&AG is head of the NIAO and reports his findings to the Assembly. The C&AG and his staff are wholly independent of NICTS.

The notional audit fee for the work performed by the staff of the C&AG during the reporting period was:

	2021-22	2020-21
	£000	£000
NICTS Annual Report and Accounts	67.50	66.50
Trust Statement	33.00	32.60
Funds in Court	14.15	13.80
NICTS Investment Account	7.40	7.20
Total	122.05	120.10

Financial Risk

For 2021-22, NICTS relied primarily on DoJ for funding, and the risk to funding is low. All transactions are in sterling and there are no borrowings. As such, NICTS is not exposed to any exchange rate or liquidity risk.

Payment of suppliers

The NICTS policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. During the financial year, NICTS achieved an average of 98% (2020-21: 94%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. NICTS achieved an average of 99% (2020-21: 98%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

Sustainability reporting and environmental issues

The continued impact of the coronavirus pandemic dominated all facets of NICTS business during this accounting period and included efforts around environmental sustainability. In spite of the challenges presented by the public health emergency, the NICTS Vision 2030 teams continued with sustainability and energy efficiency interventions and, in addition, active participation in intra and inter Departmental groups was sustained.

While other public sector organisations may have experienced reductions in energy consumption during 2021-22, due to limits on footfall and occupancy, the opposite is true for NICTS. The steps taken to maintain essential service delivery across the estate and prioritise the health and safety of our staff and other court users, has resulted in increased energy consumption, and associated carbon emissions.

Due to a range of well publicised economic and geopolitical factors, in the last 12 months, wholesale energy prices have risen to unprecedented levels, causing significant increases in NICTS utility spend. The full impact of these wholesale increases is unlikely to become apparent until the 2022-23 reporting period, and a substantial budgetary pressure has been projected.

As the second largest contributor of carbon emissions within DoJ, NICTS has an important role to play in ensuring that sustainability and best practice are embedded. We also have a unique challenge in that ten of our buildings are listed heritage assets and require more detailed consideration when interventions are planned.

Reducing energy demand and choosing low carbon solutions is a key priority for NICTS and DoJ, in order to help the Executive and UK Government meet its carbon targets, to minimise the impacts from climate change, and to reduce operating costs.

Strategic Context

The New Decade, New Approach document states the Northern Ireland Executive will tackle climate change head on with a strategy to address the immediate and longer term impacts of climate change.

The Northern Ireland Climate Change Bill reached its final stage in the Assembly, on 8 March 2022. The subsequent legislation will set targets for the years 2030, 2040 and 2050 for the reduction of greenhouse gas emissions; to provide for a system of carbon budgeting; to provide for reporting and statements against those targets and budgets; and to confer power to impose climate change reporting duties on public bodies.

In anticipation of the new legislative requirements, and in support of the NI Executive and Departmental strategic objectives, NICTS continues its commitment to incorporate sustainability into its core activities. Sustainability is reflected in the Vision 2030 Design Principles and this theme will also be a fundamental component of our Estates Strategy.

In the last reporting period, NICTS has successfully implemented a more rigorous system of energy data collection and verification, and is now able to accurately report and measure performance in this important area.

Energy use and CO₂ emissions

In spite of the challenges imposed by the coronavirus pandemic, this year NICTS continues its work to improve the energy efficiency of its building stock, and a significant proportion of the Agency's capital budget has been allocated to projects with a direct link to sustainability. We have continued to deliver 'thematic projects' whereby investments are identified by means of deficiencies in condition, maintenance or lifecycle replacement. This has allowed our small team to develop consistent standards that allow complex projects within very constrained timescales. With the development of greater energy metrics, our intention would be to prioritise interventions in areas where greatest cost and carbon savings can be realised.

Low or Zero Carbon Technologies

Historically, NICTS has not invested in low or zero carbon technologies or on-site energy generation, however given the significant increase in electricity costs this year, we have progressed a solar photovoltaic installation at Laganside Courts. This is projected to result in annual savings of approximately £18k, and carbon reductions of approximately 35 metric tonnes.

Transport

To date, sustainability efforts within NICTS have focussed primarily on emissions from the physical estate. However, it is recognised that as part of the justice system, the Agency has a role to play in reducing travel related emissions through modernisation of our service delivery mechanisms and harnessing digital tools. Between April 2021 and March 2022, there were over 700,000 individual connections to our virtual and hybrid courtrooms via the Sightlink platform. At this stage it is difficult to quantify the carbon impact of virtual courtroom attendance, but it will be

important to capture the environmental benefits this provides.

Water use

Through its routine maintenance programme, NICTS is progressing schemes that will reduce or eliminate the storage of cold water within our buildings. The storage of water can lead to bacterial growth, and results in more significant monitoring and maintenance costs. By converting our buildings to mains fed systems, we will improve water quality and reduce unnecessary expenditure. During 2022-23 we intend to progress a project to install in-line metering on all incoming water supplies, so that this key metric can be measured and monitored.

Operational Waste

For services relating to waste disposal and recycling, NICTS avail of the collaborative contracts procured through CPD. Through the Departmental Sustainability Strategy, NICTS will aim to properly measure these elements, reduce the volume of waste created by minimising unnecessary packaging and eliminate single use plastics. Where there is waste, NICTS will aim to recycle as much as is practical and also consider waste disposal via a waste to energy compliant provider.

Implementation of the NICS New Ways of Working project will require NICTS to undertake a storage audit. This represents an opportunity to establish a baseline of paper use and paper-based processes, which can then be used to monitor and report on paper reduction.

Climate change adaptation

NICTS recognise the concepts of climate change mitigation and climate resilience cannot be ignored. We have initiated projects to install flood defence systems at buildings in Belfast that may be impacted by a tidal or fluvial event. Our ventilation upgrade projects will incorporate the reality of increased summer temperatures, and our ventilation and cooling strategies will be adjusted or upgraded.

Local environment and community

NICTS ensures public awareness of the energy performance of our buildings by ensuring Display Energy Certificates are produced on an annual basis, and displayed prominently in our public areas.

The maintenance of heritage assets in active use and good repair is part of a sustainable approach to the environment. NICTS recognises that a strategic, systematic approach to the management of historic property will help to achieve value for money and safeguard the special interest of this part of the environment.

As part of the data gathering exercise which will inform our Strategic Asset Management Plans and Estates Strategy, we have already completed Conservation Management Plans (CMP) at Old Town Hall and Royal Courts of Justice. In the current year, we also hope to complete the survey of Bishop Street Courthouse and by the end of 2023-24 we want to have CMP's for all of our heritage assets. This work will help NICTS demonstrate its commitment to the Protocol for the Care of the Government Historic Estate.

Corporate social responsibility

Although corporate social responsibility initiatives have been impacted by COVID-19, fundraising drives across the Agency have benefitted a range of charities including the Children's Hospice, Cancer Focus NI, Air Ambulance NI, The Salvation Army and St Vincent de Paul.

Equality

Section 75 of the Northern Ireland Act 1998 places statutory duties on all public authorities, including the NICTS, to promote equality of opportunity and good relations and to make equality central to public policy decision-making. In fulfilling these obligations, the Agency promotes equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of NICS human resource statistics. The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The findings are published in the NICS [Article 55 and Gender Reviews](#).

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in Section 75 of the Northern Ireland Act 1998 in carrying out its functions. The DoJ Equality Unit provides quality assurance through reviewing Section 75 Screening forms from policy areas that are developing or revising a policy or strategy. Two-way discussion between the Equality Unit and policy areas ensures due regard is taken of the needs of Section 75 categories throughout the policy development process and to ensure equality is mainstreamed. Further information on the Department's equality scheme is available at [Equality | Department of Justice \(justice-ni.gov.uk\)](https://www.justice-ni.gov.uk/equality).

The Agency complies with NICS and DoJ policies to ensure all eligible persons have equal opportunity for employment and advancement based on their ability, qualifications and aptitude for the work. NICTS applies the recruitment principles as set out in the Recruitment Policy and Procedures Manual of NICS, appointing candidates based on merit through fair and open competition. All panel members sitting on interview panels complete Recruitment and Selection training, which includes raising awareness of unconscious bias. NICTS staff are members of, and actively contribute to, the recently established DoJ Diversity and Inclusion Steering Group.

Health and Wellbeing

The experience of the last year in responding to the coronavirus pandemic has underlined the importance of health and wellbeing and in a range of ways we have sought to ensure that health and wellbeing is at the forefront of what we do.

NICSHR Learning and Development have continued to provide numerous online Leadership and Wellbeing training sessions to ensure that health and wellbeing are very much at the forefront during the pandemic.

One of the five key pillars of the NICTS People Strategy is wellbeing. The People Strategy Working Group was developed during the year and is currently developing proposals to establish a wellbeing framework to support our people and create a workplace where everyone is encouraged and supported to reach their full potential in a safe and healthy environment with access to the support and services that they may need.

Through our participation in the NICS New Ways of Working Project, we will seek to ensure that sustainability, health and wellbeing are embedded in all of our workplace improvement projects. In particular, we will ensure that any physical changes to our office environments also consider opportunities to improve environmental performance and the sensory environment.

The pandemic has placed a renewed and increased emphasis on indoor air quality, and how this can contribute to greater respiratory health and productivity in the workplace. NICTS is progressing schemes at all of its sites to improve air quality. In sites with mechanical ventilation, we are undertaking control modifications and upgrades that will allow indoor air quality to be automatically monitored through carbon dioxide sensors. This in turn will allow ventilation rates to be automatically adjusted in order to optimise air quality and reduce energy consumption.

The Agency has also promoted a series of online training sessions by Dementia UK to mark Dementia Awareness week, a NIACRO Intercultural Awareness webinar, the BOOM Foundation's work during National Sarcoma Week, an awareness session by OG Cancer NI about Oesophageal and Stomach Cancer, the NICS Making Menopause Mainstream event, as well as DoJ's Leadership and Wellbeing programmes.

Anti-corruption and anti-bribery

NICTS complies with the DoJ Anti-Fraud & Anti-Bribery Policy and Response Plan. A fraud log is maintained and presented as a standing agenda item to NICTS ARAC and updates are provided to Departmental Audit and Risk Committee. The DoJ Anti-Fraud & Anti-Bribery Policy and Response Plan are available to staff on the intranet.

Any new regulations or Best Practice Guidance issued from DoJ, DoF or NIAO are considered and embedded accordingly.

NICTS is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any internal fraud, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. NICTS will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. NICTS has a zero-tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Managing the risk of fraud and bribery is seen in the context of managing a wider range of risks. NICTS promotes an anti-fraud and anti-bribery culture by encouraging management to create conditions in which staff members have neither the motivation nor the opportunity to commit fraud or either offer or accept bribes. Professional staff are the first line of defence against these issues, supported by the establishment and maintenance of carefully designed and consistently operated procedures. Managers have prime responsibility for establishing internal control arrangements to minimise the risk of fraud, corruption and other irregularities within their business areas.

There was one instance of fraud reported within NICTS during the financial year (2020-21: 0 cases). This related to the receipt of an undetected counterfeit note.

PERFORMANCE REPORT



Glyn Capper
Accounting Officer
27 June 2022

PART 2 - ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how NICTS meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

i Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the NICTS governance structures and how they support the achievement of its objectives.

The Corporate Governance Report includes:

- Directors' Report;
- Statement of Accounting Officer's responsibilities;
- Non-Executive Members' Report; and
- Governance Statement.

ii Remuneration and Staff Report

This section sets out the NICTS remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition, the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

iii Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Regularity of expenditure;
- Assembly accountability disclosures; and
- Certificate and Report of the C&AG to the Assembly.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Agency Board

The work of NICTS is co-ordinated and monitored by the NICTS Agency Board (the Board). The Board oversees the work of the NICTS in delivering its aims and objectives. The Board acts in an advisory and consultative capacity, offering guidance when sought. It is the senior tier for decision making in NICTS. It does not usually direct any of its Executive members on how their business areas should be run, with day-to-day operational matters the responsibility of the Director of NICTS.

The Director of NICTS is the Chair of the NICTS Agency Board and membership of the Board is detailed below. The Director of NICTS is also the designated Accounting Officer of NICTS.

The Board meets quarterly to consider progress on strategic and management issues. It has specific functions in relation to finance, planning and performance which are set out in the Agency Framework Document.

The Board is supported by the ARAC, the Finance Committee and the NICTS Senior Management Team. ARAC supports the Board in its responsibilities for issues of risk control and governance by reviewing the completeness of assurances provided to the Accounting Officer. The Finance Committee supports the Board by providing financial oversight and budgetary control.

All Board members are required to adhere to the Seven Principles of Public Life (also known as the Nolan Principles). These principles apply to anyone who works as a public office-holder and are available on the Treasury website at the following link [The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-seven-principles-of-public-life).

Membership of the Board at 31 March 2022 is as follows:

- Acting Director of NICTS Glyn Capper;
- Chief Operating Officer Mark Goodfellow;
- Chief Modernisation Officer Karen Ward; and
- Non-Executive Members Nicole Lappin and Graham Dalton.

The Judicial Representatives are nominated by the Lady Chief Justice and keep the Board informed of the views of the Judiciary on NICTS and its operations. The current Judicial Representatives are:

- The Right Honourable Mr Justice Colton;
- His Honour Judge Fowler, Recorder of Belfast and Presiding County Court Judge;
- District Judge McGarrity, Presiding District Judge (Magistrates' Courts); and
- Mr John Duffy, President of the Appeal Tribunals.

Patrick Butler, Head of Legacy Inquest Unit and Coroners Service, and Mandy Kilpatrick, Principal Private Secretary to the Lady Chief Justice, are nominated by the Lady Chief Justice and attend the Board with her agreement.

Nicole Lappin joined the Board in October 2017. Her contract was extended in September 2020 for a period of three years to September 2023. Ms Lappin is also the Chair of the ARAC.

Graham Dalton joined the Board in October 2017. His contract was extended in September 2020 for a period of three years to September 2023. Mr Dalton also sits on the Finance Committee and the Modernisation Board.

The role of the Non-Executive Members includes:

- providing strategic advice to the Board, contributing to decision-making and supporting the good corporate governance of the Agency;
- using their experience to challenge and support the Board, acting corporately;
- ensuring that the Board obtains and considers all appropriate information; and
- notifying the Board of any matters that threaten the regularity, propriety or value-for-money within the Agency.

Register of interests

A Register of Interests is maintained by NICTS and no significant interests are currently held by Board members which may conflict with their management responsibilities.

Data related incidents

There were no personal data related incidents reported to the Information Commissioner's Office (ICO) during 2021-22.

Complaints

NICTS is committed to providing a high quality service across all business areas. Key to demonstrating this commitment is a robust and effective complaints procedure which addresses any customer dissatisfaction fairly, comprehensively and with a view to early resolution. The complaints procedure allows customers to report when they are unhappy with the quality of service provided, and receive redress where appropriate. The policy and a policy procedure document to assist staff are available on the Service's website at www.justice-ni.gov.uk/articles/nicts-complaints-and-policy-procedures.

The NICTS complaints policy and procedures are reviewed annually, with the latest review carried out in September 2021.

The Complaints Procedure reflects the overall Departmental approach to managing complaints and is a two-stage process. Initial complaints are dealt with by the local business area with any complaints escalated to stage two overseen by a member of the NICTS Senior Management Team.

Should the complainant remain dissatisfied with the response following this second stage, they

can raise the complaint with the Northern Ireland Public Services Ombudsman.

The Complaints Officer monitors the progress of all complaints to ensure compliance with procedures, including adherence to the timescales contained within the policy, and to ensure the Service operates a transparent and consistent complaints system, with all complaints being treated fairly.

There were 82 complaints recorded in the Complaints Register during 2021-22:

Stage 1 complaints	Number	%
Upheld	34	42
Partially upheld	11	13
Not upheld	37	45
Total	82	100

The Complaints Officer will request that the relevant business area dealing with a complaint documents any lessons learned, which will be collated and listed in the bi-annual update report to the Senior Management Team to note, and take action where necessary. Any recommendations based on the lessons learnt are passed to the Complaints Officer to amend the complaints procedure, and communicated to the relevant business area with a view to improving service delivery and maximising quality.

In March 2022, the Complaints Officer attended a Complaints Forum, hosted by the DoJ, to discuss the handling of complaints, with several other justice organisations also represented.

Complaints are handled by the Corporate Support Branch and can be made:

- in writing to: Complaints Co-ordinator
Corporate Support Branch
Northern Ireland Courts and Tribunals Service
Laganside House
23-27 Oxford Street
Belfast
BT1 3LA;
- by telephone: 02890 728832; or
- by e-mail: Complaints@courtsni.gov.uk

Whistleblowing

NICTS complies with the DoJ Whistleblowing Policy. This policy was last updated in March 2021 and is available to staff on the intranet. The Department are currently working on a new Whistleblowing policy and have used it as an opportunity to rebrand the title of the policy. The policy will be renamed 'Raising a Concern' and the release is due imminently.

The policy tells staff how to report a concern and what they should expect to happen. It is designed to reassure staff that it is safe and acceptable to speak up when they have a concern

about malpractice. The procedures provide arrangements so that such concerns can be addressed at an early stage and in a fair and proper way. The Head of Internal Audit may be contacted by NICTS in order to conduct independent investigations into issues raised under the policy.

It is an effective policy as it encourages an open door culture within NICTS and also includes details of other regulatory bodies, which may also provide assistance in raising concerns.

Two whistleblowing concerns were raised and investigated by NICTS during 2021-22 (in 2020-21 no concerns were raised).

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the *Government Resources and Accounts Act (Northern Ireland) 2001*, the DoF has directed NICTS to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICTS and of its income and expenditure, Statement of Financial Position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government FReM and in particular to:

- observe the Accounts Direction issued by the DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the Accounts;
- prepare the Accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The DoJ Accounting Officer has designated the Director of NICTS as the Accounting Officer of NICTS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the NICTS's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in *Managing Public Money Northern Ireland (MPMNI)*.

The Accounting Officer is responsible for the maintenance and integrity of the information on the NICTS website.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

NON-EXECUTIVE MEMBERS' REPORT

In the 2021-22 year, COVID-19 has continued to impact the work of the NICTS. Despite this, many things have been achieved and we want to pay tribute to staff, who have continued to ensure services are delivered in the face of challenges created by the pandemic.

The achievements referenced are detailed elsewhere in this report and we do not want to duplicate this. Instead, we highlight some areas where we have concerns and mention some welcome developments.

The concerns we have arise from the significant number of vacancies which exist within the organisation and the need for consistency in leadership at the top of the service. At all levels within NICTS, there are vacancies and temporary appointments which mean that the organisation will not be as effective as it could be in terms of public service delivery. At Board meetings we have noted that vacancies are a particular issue across the civil service and we are aware that this is an area where proactive steps are being taken to address this weakness. We encourage all efforts to tackle this problem and look forward to hearing in the 2022-23 year how this will result in stabilising the workforce.

Following his appointment, Anthony Harbinson brought a new impetus to bear on driving forward the changes necessary to see effective justice delivery in the twenty first century. His temporary promotion to Department of Agriculture, Environment and Rural Affairs (DAERA) saw Glyn Capper join NICTS for the period of his absence. Glyn has also brought a fresh perspective to the work of transforming the service. As independent Board members we have been impressed at Glyn's collaborative and progressive style and, in turn, how the pace of work has increased. This has been enhanced through new members of the senior team and we can see where experience brought from other areas benefits the overall delivery of work programmes. Following Anthony's retirement, Glyn will continue to be temporary promoted into the role of Director of NICTS until the post is filled substantively.

It is pleasing to note that, following a review commissioned by the Department of Justice (DoJ), the Director of NICTS is no longer combined with the Director of Access to Justice post in DoJ; this positive development will create more capacity to lead the Agency. However, we must note that it is imperative that permanent appointments to the leadership of NICTS be made to consolidate the advances made over recent months. Consistency in this area is key to setting the tone for the entire organisation and for cementing certainty in relation to the direction of travel.

As members of an Agency Board we welcomed the recent training provided for all Board members and those who service it. We look forward to seeing how the strategic planning session bears fruit and the development of Board Agendas which allow discussion to take place providing the necessary scrutiny of performance alongside support and challenge to the ideas brought forward for modernising the service. A particularly welcome development is the focus on Vision 2030 and various programmes which will deliver on the much needed modernisation particularly of NICTS's infrastructure.

We finished last year by noting that we eagerly awaited the implementation of the Board's new Framework Document. At the time of writing, we are still eagerly waiting on the finalisation of this document which will assist us in understanding the role expected of the service within DoJ.

Graham Dalton
Nicole Lappin

NICTS GOVERNANCE STATEMENT 2021-22

1. Role and responsibilities of NICTS

NICTS is an Agency of DoJ. NICTS operates under a Framework Document that has been agreed by DoJ and DoF. The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of NICTS. The NICTS Framework Document is currently being reviewed and updated by NICTS.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Service's policies, aims and objectives, whilst safeguarding the public funds and assets for which, in accordance with the responsibilities assigned to me in my letter of delegation and in accordance with *MPMNI*.

As Director of NICTS I am responsible for the day-to-day operation and administration of NICTS and the leadership and management of its staff. I am accountable to the Permanent Secretary, DoJ and ultimately to the Assembly, working under the direction of the Minister of Justice, Naomi Long MLA and, in accordance with the Framework Document.

Strategic Context

The 2021-22 Business Plan sets out the strategic objectives, priorities and key targets for NICTS. The annual plan is derived from the DoJ Corporate Plan for 2019-22 and the Departmental 2021-22 Business Plan supporting the policy agenda set by the Minister.

As a front-line service delivery agency, our main priorities for 2021-22 remained business recovery. The organisation made good progress on a number of fronts including the adaptation of court and tribunal hearing rooms, increasing the provision and use of video-conferencing technology, increasing remote working facilities for staff and greater use of virtual/hybrid hearings. This approach ensured key services continue to be delivered and provides a firm basis for longer term business recovery. Social distancing requirements and the physical restrictions on a number of court buildings will continue to influence how business can be conducted.

The modernisation portfolio, known as Vision 2030, successfully progressed a number of projects as planned under the guidance of the Chief Modernisation Officer (CMO) appointed in May 2021. The CMO will lead on the delivery of the overall programme and a new People Programme with an initial focus on developing a NICTS People Strategy.

Throughout 2021, the Vision 2030 team worked with key stakeholders, staff and the judiciary to establish the NICTS Digital Strategy 2021-26 culminating in the publication of the Strategy in January 2022. The Strategy takes account of the ambition and commitment within NICTS to embrace advances in technology to deliver future court and tribunal services.

During the 2021-22 business year, plans were well advanced to facilitate the transfer of The Appeals Service and Rent Assessment Panel (TASRAP) from DfC to the DoJ. However, in the absence of a First and Deputy First Minister, it was not possible to sign the Transfer of Functions Order and move a motion in the Assembly resulting in a delay in transferring the tribunal. DoJ remain committed to the transfer and will, as soon as is practicably possible, re-commence work in this area.

The Agency Board reviewed progress against the 2021-22 Business Plan throughout the year

and progress is reported in the Performance Analysis section and at Annex D of this Annual Report.

2. Purpose of the governance framework

The governance framework is the system which ensures the effectiveness of direction and control of NICTS. The framework encompasses the following internal controls:

- **governance** - how NICTS plans, sets, communicates and monitors its corporate objectives;
- **risk management** - how NICTS identifies, considers and manages the risks to the achievement of corporate objectives; and
- **business controls** - how NICTS assures itself and its stakeholders that it is in control of its business and the risks to the achievement of its objectives.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk. The framework is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

As Accounting Officer I have established a governance framework and management structure to support me in the management of the key risks of NICTS.

3. Governance framework

During 2021-22 NICTS complied with the key principles of the Corporate Governance in Central Government Departments - Code of Good Practice (NI) 2013 which it considered applicable. The key organisational structures which support the delivery of effective corporate governance are:

- Agency Board;
- Finance Committee;
- Audit and Risk Assurance Committee (ARAC); and
- Emergency Response Team (ERT).

Agency Board

The Board provides a vital role in shaping and directing the organisation to ensure it is equipped to deliver high quality and cost effective services to court and tribunal users. The Board is responsible for business and corporate planning, reporting, and the oversight of the functions of NICTS including finance, planning, performance, and policy initiatives. The Board operates within the parameters of the Agency Framework Document and the agreed Terms of Reference. The Framework Document is published on the NICTS website.

Declarations of Interests

NICTS maintains a Register of Interests for Board Members. Declarations include anything which may give rise to conflict with the position of a Board member, including:

- any Directorships (including Non-Executive Directorships) held in Private Companies or Public Limited Companies (PLCs);
- any private companies, businesses or consultancies which they may own (or part-own) and which may seek to do business with the DoJ and the public bodies it sponsors;
- position of authority held in Charities or Voluntary Bodies in fields related to the work of the DoJ;
- any connections which they may have with voluntary, or other bodies, contracting with the DoJ and the public bodies it sponsors; and
- any other interests that could have a conflict.

For 2021-22, the Accounting Officer has been provided with assurance that no Board members have declared any conflict of interest with the business of NICTS.

The Board met on four occasions during the 2021-22 financial year. At the beginning of each Board meeting members are asked by me, as the Chair, to declare any conflicts or potential conflicts of interest. To allow members to prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed, five working days before the meeting. Details of any significant interests which may conflict with Board members' management responsibilities can be found in Note 21 to the accounts.

Attendance by members is shown below for the four meetings of the Board during 2021-22:

Position	Member	Attendance
Director of NICTS	Glyn Capper*	3/3
	Anthony Harbinson*	1/1
Chief Operating Officer	Mark Goodfellow	3/4
Chief Modernisation Officer	Karen Ward**	3/4
Non-Executive Member	Nicole Lappin	4/4
Non-Executive Member	Graham Dalton	4/4
Judicial Representative	The Honourable Mr Justice Colton	4/4
Judicial Representative	His Honour Judge Fowler QC, Recorder of Belfast	4/4
Judicial Representative	Presiding District Judge Bagnall (Magistrates Court)***	0/1
	Presiding District Judge McGarrity (Magistrates Court) ***	3/3
Judicial Representative	John Duffy, President of the Appeals Tribunal	3/4

Position	Member	Attendance
Lady Chief Justice's Office (LCJO)	Mandy Kilpatrick, Principal Private Secretary to the Lady Chief Justice	3/4
Head of Legacy Inquest Unit	Patrick Butler	4/4

* Glyn Capper was appointed Director of NICTS effective from 26 July 2021; from that date he was designated as Accounting Officer of NICTS. (Anthony Harbinson stepped down as Chair of the Finance Committee on 26 July 2021 and was replaced by Glyn Capper).

** Karen Ward became a member of the Agency Board on 25 May 2021.

*** Presiding District Judge Bagnall resigned from the Agency Board and was replaced by Presiding District Judge McGarrity on 21 June 2021.

Key work of the Board during the year included:

- delivery of the NICTS key priorities against the Business Plan within the constraints of significant financial pressures;
- responding to the COVID-19 pandemic;
- overseeing the management of NICTS resources including staff, information, physical and financial resources; and
- review of the NICTS Audit and Risk Assurance Report.

The Board has established two formal sub-Committees to assist it in carrying out its functions – the Finance Committee and ARAC. There were no Ministerial Directions given during the year.

Finance Committee

The Finance Committee (“the Committee”) assists the Board with financial oversight and budgetary control. The role of Finance Director in NICTS is performed by the Head of Corporate Services who advises the Committee on any material issues concerning financial oversight and budgetary control. The Terms of Reference for the Committee are included in the Agency Framework Document.

Attendance by members is shown below for the four meetings of the Finance Committee during 2021-22:

Position	Member	Attendance
Acting Director of NICTS	Glyn Capper*	3/3
	Anthony Harbinson*	1/1
Chief Operating Officer	Mark Goodfellow	3/4
Chief Modernisation Officer	Karen Ward**	4/4
Acting Head of Corporate Services	Louise Laverty	4/4
Non-Executive Member	Graham Dalton	4/4

Position	Member	Attendance
Judicial Representative	The Honourable Mr Justice Colton	4/4

* Glyn Capper was appointed as Acting Director of NICTS effective from 26 July 2021; from that date he was designated as Accounting Officer of NICTS. (Anthony Harbinson transferred from NICTS, replaced temporarily by Glyn Capper. Anthony Harbinson stepped down as Chair of the Finance Committee on 26 July 2021 and was replaced by Glyn Capper).

** Karen Ward became a member of the Finance Committee on 25 May 2021.

After each meeting the Acting Head of Corporate Services provides a highlight report to the Agency Board covering the main issues discussed by the Finance Committee.

Audit and Risk Assurance Committee (ARAC)

The role of the ARAC is to provide the Board and myself, as Accounting Officer, with independent assurance over the adequacy and effectiveness of the established internal control and risk management systems within NICTS. ARAC monitors the effective implementation of all agreed audit recommendations; examines the effectiveness of the overall risk management process, and receives assurance from the NICTS Risk Co-ordinator. ARAC operates in accordance with the Audit and Risk Assurance Committee Handbook (NI), published on 29 May 2013 and updated on 1 April 2018. Although ARAC primarily considers matters within NICTS, it also ensures that the inter-relationships between it and the Departmental Audit and Risk Committee are documented and agreed, particularly where assurance is provided on matters which properly support the Departmental Governance Statement.

The Terms of Reference for ARAC are included in the Framework Document.

The Committee is chaired by an independent Non-Executive Member of the Agency Board.

Attendance by members is shown below for the five meetings of the Committee during 2021-22:

Position	Member	Attendance
Non-Executive Member (Chair)	Nicola Lappin	5/5
Non-Executive Member	Nuala McAuley*	5/5
Judicial Representative	The Honourable Madam Justice McBride**	2/3
	The Honourable Mr Justice Huddleston**	2/2

* Nuala McAuley resigned from the Audit and Risk Assurance Committee and was replaced by Philip Cromie on 1 April 2022.

** The Honourable Madame Justice McBride resigned from the Audit and Risk Assurance Committee and was replaced by The Honourable Mr Justice Huddleston on 21 October 2021.

Key work of ARAC included consideration of:

- NIAO audit strategy and reports to those charged with governance;
- Internal Audit's plan including strategy, activity reports and progress updates;

- Head of Internal Audit's annual opinion and report;
- Risk management and corporate governance;
- Financial governance and fraud reporting; and
- Annual reports and accounts.

After each meeting the Chair of ARAC presents a report to the Agency Board covering the main issues discussed by the Committee.

Emergency Response Team

In addition to the above structures the Emergency Response Team (ERT) was formed to deal with COVID-19 specific issues. Initially the focus was on managing the immediate impact of the pandemic on court business, compliance with the public health guidance and the varying degrees of restrictions introduced by the Assembly. The ERT continued to meet as required during 2021-22 for example to consider the impact of emerging variants and can be reconvened if the circumstances arise.

4. Risk management and internal control

Risk Management

Risk management forms a central element of the governance framework. Risk management is championed by the Head of Corporate Services, with the Agency Board owning the overall risk management framework.

The Agency aims to assess and effectively manage risk in the achievement of its business objectives. Its capacity to manage risk derives from the experience and ability of managers to operate the fully documented risk management process. The Departmental Risk Management Framework is in line with best practice set out in the NIAO report on *Good Practice in Risk Management*.

The Framework details the approach to risk management, including: risk appetite; the hierarchy for managing risks; the risk identification and escalation process; and the roles and responsibilities of the various levels of management.

This approach allows risks to be identified and managed at all levels and to be escalated as appropriate.

The Board provides leadership and direction in managing the risk environment in which the Service operates. Each Head of Division provides leadership to the risk management process in their particular areas of responsibility, as well as corporately through their involvement in the Board, the Audit and Risk Assurance Committee and local management meetings. Each business area prioritises risk against standardised risk impact/likelihood descriptors to reduce subjectivity in assessing risk. Key risks identified at corporate, group and divisional level are documented in risk registers and reviewed during the year.

Risk management is considered formally by senior management through quarterly reviews of the Corporate Risk Register. The Agency's overall arrangements for effective risk management include:

- an approach to risk management that aligns directly with that of the Department;
- an agreed risk appetite in line with the DoJ's policy;
- Branch, Directorate and Corporate Risk Registers to identify and escalate the risks threatening to impact upon the achievement of the Agency's objectives;
- Board review of corporate risks;
- Audit and Risk Committee agenda focusing specifically on risk management;
- structures in place to assess and report on information risk; and
- Stewardship Statements from managers, providing formal assurance on their management of risk for their respective business areas.

A key element of the Agency's risk and control framework is a professionally led Internal Audit function that works to Government Internal Audit Standards. It reviews the overall arrangements for managing risk, provides assurance, and reports any matters of concern to the ARAC. Assurance is also obtained from NIAO who present their report to ARAC following the statutory audit of the Agency's Annual Report and Accounts.

Emerging risks are identified, considered and managed; all risks are assessed in terms of their probability of occurrence and impact on the achievement of objectives, then scored and reported on accordingly. The corporate risk appetite is set by the Board and used as a starting point for setting levels of risk tolerance. Managers and Heads of Division escalate risks which have exceeded specific risk appetites to the next level of management.

The Senior Management Team completed a review of the Corporate Risk Register in September 2021 focussing on the strategic risks linked to the delivery of the Business Plan. Agency Board members completed a refresher course focusing on the "Effective Board" in January 2022 with part of the course content focusing specifically on risk management.

The Corporate Risk Register continues to be reviewed regularly by the Board and is presented routinely to ARAC each quarter. NICTS operates a process to enable escalation of risks to the DoJ Corporate Risk Register if risks breach NICTS tolerance levels. Assurance on risk management is provided to DoJ in the form of bi-annual stewardship statements, which are signed by the Accounting Officer.

Information assurance

NICTS is committed to ensuring personal data is appropriately protected and managed in accordance with data protection legislation and DoJ policies and procedures. NICTS is represented on a number of Departmental groups including the Information Risk Owners' Council, Accreditation Panel and Security Managers' Forum. In addition, bi-annual updates on records and information management are provided to the NICTS ARAC.

Data incidents are reported and managed in line with the DoJ Security Incident Reporting policy. Minor or low risk incidents are recorded and managed locally by NICTS. Major incidents involve an actual data breach which may result in the Information Commissioner's Office (ICO) taking enforcement action or could cause potential harm/distress to individuals. Any such incidents are reported to the DoJ Information Security (IS) Team to allow for potential notification to the ICO within 72 hours of becoming aware of the incident.

During 2021-22, a total of 50 data incidents were reported with the highest proportion relating to post or emails being sent to the wrong recipient. All data incidents were fully investigated with the findings reviewed to identify any lessons learned and existing processes were amended as appropriate. Of the 50 incidents, 4 were deemed reportable incidents, sent to DoJ, and are now closed.

No NICTS incidents were reported to the ICO during the reporting period.

The Information Assurance Risk Register continues to be reviewed at every meeting of Information Risk Owners' Council (IROC) and the Chief Information Officer presents a report for discussion covering all incidents.

The accreditation of the network and infrastructure are the responsibility of DoF Enterprise Shared Services, who have confirmed that these elements of its service are fully accredited. NICTS is responsible for accrediting only the aspects of the service that relate to line of business systems. Typically this relates to the operating system, database and application software. Full Accreditation Certificates have been issued by DoJ for all NICTS line of business systems.

Annual IT Health Checks on all NICTS Line of Business systems are planned for April - June 2022.

IT Assist, part of DoF Enterprise Shared Services, provides and hosts all NICTS information systems. They provide a resilient solution, based on high availability, redundancy and mirrored data centres. Disaster Recovery tests were completed in July 2021 for Causeway and October 2021 for the main NICTS line of business applications and are currently being planned for 2022. The accreditation of the network and infrastructure is the responsibility of DoF Enterprise Shared Services, who have confirmed that these elements of its service are fully accredited.

NICTS continues to monitor and review the application of Information Assurance policies (including a series of unannounced clear desk inspections) to ensure data is handled appropriately and that any associated risks are identified and managed.

Internal Control

The system of internal control is not designed to eliminate all risk of failure but to manage risk to a reasonable level to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control has been in place in NICTS for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts. This accords with DoF guidance.

NICTS has in place a range of policies and processes to ensure that it is compliant with *MPMNI*, policies and guidance issued by DoJ and financial delegations granted by DoJ and DoF.

5. Review of effectiveness of the governance framework

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit, the internal control framework and comments made by external audit in their reports to those charged with governance and other reports. A sound governance framework has been established across NICTS which includes:

- Agency Board;
- Audit and Risk Committee with independent membership;
- Governance reviews;
- Annual governance statement;
- Stewardship statements; and
- Independent reviews by Internal Audit.

I received additional comfort from the inter-departmental assurance report relating to shared services provided to the various NI departments, by the DoF Head of Internal Audit. This report offers an update on the key business areas and provides satisfactory assurance.

The Head of Internal Audit has provided **Satisfactory Assurance** based on the work carried out during the year. There were some instances of limited opinion, for example the Information Governance report on HR Connect. However, Enterprise Shared Services senior management have since met with the Departmental Audit and Risk Committee members and provided an assurance that all weaknesses have been addressed.

An Internal Audit Plan which included seven separate reviews was agreed in March 2021. An independent review of Non-invested Patient's and Minor's Funds was commissioned by the Accountant General making a total of eight audits. The audits of OSO and OCP were deferred until 2022-23 as the introduction of the new case management system, which will address the outstanding priority one recommendations, has been postponed until September 2022. During 2021-22 six separate reviews were completed.

Progress against the plan was monitored by ARAC throughout the year. While it is the Head of Internal Audit's overall assessment that the control environment within NICTS is 'Satisfactory', the assurance provided in relation to OSO remains limited pending the introduction of a new case management system.

The implementation of audit recommendations is subject to internal audit monitoring and regular updates on priority one recommendations are provided bi-annually to ARAC.

In 2021-22 there were five satisfactory reports and one limited report issued to NICTS management by the NICS Group Internal Audit and Fraud Investigation Service.

Agency Board Effectiveness

Information presented to the Board is fundamental for its assessment and understanding of the performance of NICTS. The Board receives a variety of standard information, and other papers, which are quality reviewed by the Board secretariat. The information received is considered to

be of a high standard and allows the Board to be kept informed of any issues that it needs to be aware of, or take action on, to support decision making and drive improvement.

A review of effectiveness of the Board was commissioned in March 2022 and the findings will be analysed and presented to the Board during 2022-23. Governance training was provided for the Board in January 2022 and the Board has considered the scheduling of its meetings, the format of the papers presented and reviewed the standing items. The Board considers that it is fulfilling its governance requirements.

6. Budget position

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments for the 2021-22 year, based on the Executive's final expenditure plans for the year. The *Budget Act (Northern Ireland) 2022* also included a Vote on Account which authorised departments' access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of DoF under Section 59 of the *Northern Ireland Act 1998* and Section 7 of the *Government Resources and Accounts Act (Northern Ireland) 2001* will be used to authorise the cash and the use of resources during the intervening period.

7. Significant internal control issues

The following sections outline the significant internal control issues identified as a result of assurance activities in NICTS together with details of the plans in place to address any weaknesses identified.

Official Solicitor's Office (OSO) cases

Internal Audit carried out a review of OSO during 2015-16 which resulted in limited assurance. Internal Audit was unable to verify the completeness of the case workload within OSO as there was no independent record that could be used to reconcile the composition of the current Minors and Patients details. Subsequent to the audit a spreadsheet system was developed to record all cases until such times as the recommended bespoke IT workflow system was procured.

The planned introduction of an IT workflow based solution to capture all case file details and act as a centralised information hub will allow for more efficient working practices. This should allow for greater visibility of cases within OSO and provide a full and complete audit trail. Implementation of the new IT system is well underway, having commenced in summer 2021. It had been anticipated that the new system would be operational in May 2022, however due to the impact of the pandemic and the complexities associated with design, the go-live date has been re-scheduled to September 2022.

OSO has been included on the 2022-23 Audit Plan and the scope of the audit will include control, governance and risk management arrangements associated with Case Reviews and File Management.

Priority One recommendations from Internal Audit

Internal Audit

Internal Audit operates to Public Sector Internal Audit Standards. It submits regular reports, including an independent opinion by the Head of Internal Audit, on the adequacy and effectiveness of the NICTS system of risk management, control and governance.

There are currently six outstanding priority one Internal Audit recommendations. The implementation of any Priority One recommendations relating to these audits is subject to review by both Internal Audit and ARAC. The recommendations are:

- One recommendation - Official Solicitor's Office (2015-16, 2016-17 and 2018-19); and,
- Two recommendations - Office of Care and Protection (2018-19).

These will be progressed by the implementation of the new case management system which, as noted above should be operational by September 2022. Internal Audit have included audits of both OSO and OCP on the plan for quarter four 2022-23.

Additionally, an audit of Non-invested Patient's and Minor's Funds was carried out in 2021-22 at the request of the Accountant General. There are three priority one recommendations contained in the report:

- A fundamental review of the Protocol should be undertaken by Senior Management;
- A review of the current B/F (bring forward) system in OCP; and
- CFO should determine a regular review period to highlight cases where funds are not invested and where a Controller has not been appointed.

Management is in the process of addressing these recommendations.

Engagement has commenced with the relevant judiciary and members of the profession. The review of the B/F process within the new IT solution will be completed by Dec 2022. Quarterly meetings have been set up between CFO, OCP and the Accountant General to review the relevant cases and implement remedial action.

A follow up on the Non-invested patient's and minor's funds report will be carried out in quarter three of 2022-23.

All outstanding recommendations are monitored by ARAC every six months and Internal Audit will confirm implementation of all priority one recommendations.

The 2021-22 Annual Internal Audit Plan was endorsed by ARAC who monitor progress during the year towards completion of the plan.

Priority Two recommendations from External Audit

NIAO made two priority two recommendations in the Report to those Charged with Governance (RTTCWG) on the 2020-21 NICTS Agency Accounts. The first recommendation was in relation to the age of outstanding OCP fees. The second recommendation was in relation to the NICTS Fines and Fees Bank Reconciliation. These recommendations have now been implemented.

8. Accounting Officer Statement On Assurance

NICTS has an established and robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity.

In addition, independent assurance is provided by the NICS Group Internal Audit and Fraud Investigation Service, operating to Public Sector Internal Audit Standards. Internal Audit delivers an agreed prioritised programme of systems-based audits covering all NICTS systems over time. The Head of Internal Audit provides me with an Annual Report and Opinion on the level of assurance that can be provided based on the work done. For the 2021-22 year an overall **satisfactory assurance** was provided.

NICTS has maintained a framework of control to ensure that there are sufficient processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control.

I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support NICTS in delivering its statutory duties and to meet the aims and objectives set by the Minister, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in accordance with *MPMNI*.

Glyn Capper
Accounting Officer

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

The pay remit for the Northern Ireland public sector, including senior civil servants (SCS) in the NICS, is approved by the Minister of Finance. The Minister set the 2021-22 NI public sector pay policy in March 2021.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay awards for NICS staff, including SCS, for 2020-21 were paid in June and July 2021. The pay awards for 2021-22 were paid in September and October 2021.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minima to maxima, allowing progression towards the maximum based on performance.

Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org.

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the Accounting Officer and the Agency board members.

Of those reported in 2021-22 all are Senior Civil Servants. Staff at Grade 6 and below fall within the pay settlement provided by the NICS Comprehensive Pay and Grading Review.

Remuneration and pension entitlements

[Audited information]

Single total figure of remuneration				2021-22
Officials	Salary £000	Benefits in kind (to nearest £100)	* Pension benefits (to nearest £1,000)	Total £000
Glyn Capper** Acting Director of NICTS (from 26 July 2021)	30 - 35 (95 – 100 FYE)	-	26	55 - 60
Anthony Harbinson** Director of NICTS (until 26 July 2021)	15 - 20 (105 – 110 FYE)	-	9	25 - 30
Mark Goodfellow Chief Operating Officer (from 4 May 2021)	75 - 80 (80 – 85 FYE)	-	11	85 - 90
Peter Luney Chief Operating Officer (until 30 April 2021)	5 - 10 (75 – 80 FYE)	-	14	20 - 25
Karen Ward Chief Modernisation Officer (from 25 May 2021)	65 - 70 (75 – 80 FYE)	-	23	85 - 90
Nicole Lappin*** Non-Executive Member	5 – 10	-	-	5 - 10
Graham Dalton*** Non-Executive Member	5 - 10	-	-	5 - 10

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

** Glyn Capper and Anthony Harbinson also hold/held the position of DoJ Director of Access to Justice, splitting their time 50/50 between the two roles.

*** Payment to the Non-Executive Members (NEMs) is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent is not applicable. Amounts disclosed as benefits in kind relate to payments for travel and subsistence. There are no entitlements to pension or other contributions from NICTS for NEMs.

[Audited information]

Single total figure of remuneration				2020-21
Officials*	Salary £000	Benefits in kind (to nearest £100)	** Pension benefits (to nearest £1,000)	Total £000
Anthony Harbinson* Director of NICTS (from 3 August 2020)	35 - 40 (105 – 110 FYE)	-	6	40 - 45
Peter Luney Chief Operating Officer	75 - 80	-	53	125 - 130
Elaine Topping Head of Court Operations Division (until 3 August 2020)	20 - 25 (65 – 70 FYE)	-	17	40 - 45
Gillian McClearn Acting head of Tribunals and Enforcement Division (until 3 August 2020)	20 - 25 (55 – 60 FYE)	-	26	45 - 50
Pamela Reid Head of Digital Transformation (until 3 August 2020)	20 - 25 (65 – 70 FYE)	-	9	30 - 35
Louise Laverty Acting Head of Corporate Services (until 3 August 2020)	20 - 25 (60 – 65 FYE)	-	9	30 - 35
Sharon Hetherington Head of Modernisation Division (until 31 May 2020)	10 - 15 (65 – 70 FYE)	-	6	15 - 20
Nicole Lappin*** Non-Executive Member	0 - 5	-	-	0 - 5
Graham Dalton*** Non-Executive Member	0 - 5	-	-	0 - 5

* Only Board members and NEMs are included in the Remuneration Report. The Board was reconfigured to only include Grade 5s and NEMs on 3 August 2020 when Anthony Harbinson became Director of NICTS. Anthony Harbinson also held the position of DoJ Director of Access to Justice, splitting his time 50/50 between the two roles.

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

*** Payment to the NEMs is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent is not applicable. Amounts disclosed as benefits in kind relate to payments for travel and subsistence. There are no entitlements to pension or other contributions from NICTS for NEMs.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by NICTS and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by NICTS and treated by HMRC as a taxable emolument.

No officials received benefits in kind during 2021-22 (2020-21: none).

Fair pay disclosures

[Audited information]

Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in NICTS in the financial year 2021-22 was £95,000 - £100,000 (2020-21: £105,000 - £110,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2021-22	25 th percentile	Median	75 th percentile
Total remuneration (£)	23,955	26,575	29,307
Pay ratio	4.1:1	3.7:1	3.3:1

2020-21 restated	25 th percentile	Median	75 th percentile
Total remuneration (£)	23,483	26,051	31,137
Pay ratio	4.6:1	4.1:1	3.5:1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2020-21 the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2021-22, no employees (2020-21: none) received remuneration in excess of the highest paid director.

Percentage change in remuneration

NICTS is also required to disclose the percentage change from the previous financial year in the:

- (a) salary and allowances; and
- (b) performance pay and bonuses.

of the highest paid director and of NICTS employees as a whole.

The percentage changes in respect of NICTS are shown in the following table. It should be noted that the calculation of the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2021-22 v 2020-21
Average employee salary and allowances	3.1%
Highest paid director's salary and allowances	(9.3)%
Average employee performance pay and bonuses	-100%*
Highest paid director's performance pay and bonuses	N/A**

* The NICS special bonus scheme was withdrawn with effect from 31 March 2021.

** No performance pay or bonuses were payable to the highest paid director in these years.

The 3.1% increase in average employee salary and allowances is due to the 2021 Pay award.

A new Director of NICTS was appointed in July 2021. This new appointment has resulted in a decrease of 9.3% in 2021-22 of the remuneration band of the highest-paid director.

Remuneration ranged from £15,148 to £97,500 (2020-21: £19,000 to £107,500).

Pension benefits*[Audited information]*

Officials	Accrued pension at pension age as at 31/3/22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/22** £000	CETV at 31/3/21* £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Glyn Capper Acting Director of NICTS (from 26 July 2021)	30 – 35	2.5 - 5	428	375	32	-
Anthony Harbinson Director of NICTS (until 26 July 2021)	50 – 55 plus lump sum of 155 - 160	0 – 2.5 plus lump sum of 2.5 - 5	1,232	1,179	19	-
Mark Goodfellow Chief Operating Officer (from 4 May 2021)	35 – 40 plus lump sum of 80 – 85	0 – 2.5	721	681	-	-
Peter Luney Chief Operating Officer (until 30 April 2021)	30 – 35 plus lump sum of 65 – 70	0 – 2.5 plus lump sum of 0 – 2.5	553	544	11	-
Karen Ward Chief Modernisation Officer (from 25 May 2021)	30 – 35 plus lump sum of 20 – 25	0 – 2.5	457	421	11	-

* Or date of joining if later.

** Or date of leaving if earlier.

No pension benefits are provided to the Non-Executive Members.

NICS Pension Schemes

Pension benefits are provided through the NICS pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by DoF. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

New entrants joining on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

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 three 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 give up (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 8% and 14.75% (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). Employers also contribute

a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The scheme pension age is 60 for any pension accrued in the legacy Classic, Premium and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 to 31 March 2023 are as follows:

Scheme year 1 April 2022 to 31 March 2023

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution Rates - all members
From	To	
£0	£24,449.99	4.60%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

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 NICS pension arrangements. 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation on early retirement or for loss of office

There were no compensation benefits paid by NICTS to any senior staff members during the financial year (2020-21: £Nil).

STAFF REPORT

Staff costs

Staff costs comprise:

[Audited information]

			2021-22	2020-21
	Permanently Employed Staff £000	Others £000	Total £000	Total £000
Wages and salaries	22,361	3,031	25,392	24,193
Social security costs	2,251	-	2,251	2,175
Other pension costs	6,489	-	6,489	6,318
Total net costs	31,101	3,031	34,132	32,686

Of which:

			2021-22	2020-21
	Permanently Employed Staff £000	Others £000	Total £000	Total £000
Charged to Administration	3,623	138	3,761	3,981
Charged to Programme	26,357	2,893	29,250	27,976
Subtotal	29,980	3,031	33,011	31,957
Charged to Capital Projects	1,121	-	1,121	729
Total net costs	31,101	3,031	34,132	32,686

The NICS main pension schemes are unfunded multi-employer defined benefit schemes but NICTS is unable to identify its share of the underlying assets and liabilities.

The *Public Service Pensions Act (NI) 2014* provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. DoF have also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap mechanism is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. On completion of the consultation process the 2016 Valuation will be completed and the final cost cap results will be determined. Further information

can be found on the DoF website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) has been laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill to Northern Ireland. Under the LCM agreed by the Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension schemes. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £6,870,303 were payable to the NICS pension arrangements (2020-21: £6,386,323) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution. Employers' contributions of £11,696 (2020-21: £7,621) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2020-21: 8% to 14.75%) of pensionable pay.

The Partnership Pension Account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £429; 0.5% (2020-21: £348; 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

During 2021-22 no persons (2020-21: 2 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2020-21: £571).

Judicial office holders

Judicial office holders are covered by the provisions of the Judicial Pension Schemes (JPS) the terms of which are set out in (or in some cases are analogous to) the provisions of two Acts of Parliament, (*Judicial Pensions Act 1981* and *Judicial Pensions and Retirement Act 1993*), the *Judicial Pensions Regulations 2015* and the *Judicial Pensions Regulations (Northern Ireland) 2015*. The JPS are unfunded public service schemes, providing pensions and related benefits for members of the Judiciary in eligible offices. The cost of benefits accruing for each year of service is shared between the Sponsoring Department and the judicial office holders.

The JPS 2015 and Northern Ireland Judicial Pension Scheme (NIJPS) 2015, were introduced on 1 April 2015. These mirror each other and, as far as possible, other public service career average

pension schemes. From 1 April 2015 NICTS pay contributions in relation to salaried and excepted fee-paid and devolved salaried Judicial Office Holders sponsored by DoJ. The employer contribution rate during 2021-22 was 51.35%. This comprised the rate of 51.1% recommended by the GAD plus 0.25% of pensionable pay to reflect the cost of scheme administration paid to the Ministry of Justice (MoJ).

The Fee-Paid Judicial Pension Scheme, established under the *Judicial Pensions (Fee-Paid Judges) Regulations 2017*, was implemented from 1 April 2017 to deliver the litigation remedy to eligible fee-paid office-holders in the case of *O'Brien v MoJ* and related litigation, including in Northern Ireland.

Provision for the excepted fee paid judicial office holders' pension entitlement is recognised in the MoJ JPS Accounts. Accordingly, NICTS does not recognise a liability in respect of back payments or the pension liability arising pursuant to *O'Brien* litigation claims. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM Table 6.2, NICTS accounts for employer contributions payable to the JPS for eligible fee paid judicial office holders as they are incurred.

Provisions have been recognised in these accounts for the liability to fee paid judicial office holders in respect of the Judicial Service Award, as this liability is not covered by the Judicial Pension Schemes and the governing legislation.

In order to equalise treatment across the judiciary, all eligible judicial office holders moved into JPS 2022 on 1 April 2022. JPS 2022 is intended to deliver on the commitment the government made to develop a pensions-based solution to the serious recruitment and retention problems identified by the Senior Salaries Review Body (SSRB) in its Major Review of the Judicial Salary Structure, published in 2018.

JPS 2022 is designed to be in line with the Hutton principles for public service pension reform but is also non-registered for tax purposes. The Public Service Pensions and Judicial Offices Act received Royal Assent on 10 March 2022, closing all existing judicial pension schemes for future accrual. The Judicial Pension Regulations 2022 were made on 17 March 2022 and the scheme came into effect on 1 April 2022. The Judicial Pension Regulations 2022 included an amendment to the JPS 2015 regulations which was made to regularise payments from the Consolidated Fund.

The JPS 2022 is an unfunded, career average scheme for both salaried and fee-paid judges. As JPS 2022 is not a tax registered scheme, member contributions do not attract income tax relief. JPS 2022 does not provide an automatic lump sum. However, it is possible for members to commute part of their pension into a lump sum at the rate of £12 for every £1 per annum of pension commuted, subject to HMRC limits.

JPS 2022 also provides for a surviving adult's pension at a rate of 37.5% of the member's pension.

Further details of associated provisions can be found in Note 16 to the accounts.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year is set out below. These figures include senior management, staff on secondment or loan into NICTS and agency/temporary staff, but do not include staff on secondment to other organisations.

These figures include 31 (2020-21: 27) whole time equivalent staff employed by NICTS to support the HIA Redress Board, an Arm's Length Body (ALB) of The Executive Office (TEO). There were a further 116 (2020-21: 104) whole time equivalent staff employed by DfC to support TAS which is administered by NICTS.

The majority of staff (89%) are located in frontline service posts in courthouses, tribunal hearing centres, PCNI, EJO or in the CFO.

[Audited information]

			2021-22	2020-21
	Permanently Employed Staff Number	Others Number	Total Number	Total Number
Court Operations	467	89	556	529
Tribunals and Enforcement	134	21	155	137
Lady Chief Justice's Office	30	1	31	28
Modernisation Programme	14	2	16	14
Corporate Services	53	3	56	59
Staff engaged on capital projects	15	-	15	12
Total	713	116	829	779

Further information on the NICTS staff profile can be found at Annex C.

Staff composition

The staff composition as at 31 March 2022 in NICTS was as follows (based on headcount):

	Female staff	Male staff	Total staff
Agency Board	1	2	3
Senior Civil Service	2	3	5
Employees	576	307	883

Number of Senior Civil Service (SCS) staff by band

The breakdown of SCS staff by pay scale is as follows:

	Total staff
Pay Scale 1 - £74,912 to £84,122	4
Pay Scale 2 - £96,170 to £107,566	1
Pay Scale 3 - £124,282 to £141,866	-
Pay Scale 4 - £167,829 to £192,057	-

Sickness absence

Staff sickness and absence is managed in accordance with the NICS Inefficiency Sickness Absence Policy. Absence levels across DoJ are managed against indicators which are set for each of the agencies and contribute to the overall Departmental target.

Departmental level annual sickness absence figures can be found in the report [Sickness Absence in the Northern Ireland Civil Service 2021/22 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](#).

NICTS had a sickness absence rate of 13.5 days lost per employee in 2021-22 (2020-21: 11.4 days). The NICS wide absence figure for 2021-22 was 12.2 average days lost per staff member, representing 5.6% of all available working days (2020-21: 9.8 days, 4.4%). The equivalent figures for DoJ in 2021-22 were 18.5 days or 8.5% of available working days (2020-21: 13.5 days, 6.1%).

Managers at all levels have a critical role in addressing the level of sickness absence. HR business partners proactively engage with Directors, Heads of Divisions, Line Managers and business areas, offering appropriate advice and support to help manage sickness absence, staff wellbeing and potential measures to reduce absence.

Staff in NICTS are supported by both the NICS Welfare Services and the Employee Assistance Programme. Feedback from staff continues to be very positive on the support provided by Welfare Services and the advice and professional counselling services provided by Inspire. All staff who are on long term sickness or any stress related absences are encouraged to contact these services.

Responsibility for recording sickness absence rests with line managers and decisions on the action to be taken, for example the issue of an inefficiency warning, rests with NICS HR working closely with staff and line managers.

Staff turnover

Based on information provided by NISRA the level of staff turnover was as follows:

	Turnover Rate	2021-22 Turnover %	Turnover Rate	2020-21 Turnover %
NICTS	0.128	12.8%	0.089	8.9%
General	0.063	6.3%	0.030	3.0%

The NICTS Staff Turnover percentage is the total number of people that have left NICTS including those who have moved within the NICS. The General Staff Turnover percentage is the people who have left NICTS and have not gone elsewhere in the NICS. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Staff engagement

There are a number of initiatives and work streams led by the department to which NICTS staff actively participate and contribute. NICTS staff are also represented on the DoJ Staff Engagement Forum.

In October 2021, NICTS established an Internal Communications Forum involving volunteers from all grades drawn from all business areas. The objectives of the forum, which meets every six weeks, are to assist the Communications Team in the improvement of NICTS's internal communications channels, the removal of barriers to effective internal communication and the identification of positive news stories about the work of staff for dissemination across the organisation and DoJ.

Staff engagement scores

The 2021 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments as well as the PPS and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. As the 2020 survey related primarily to the impact of COVID-19 and did not include engagement themes, the latest year for which direct comparisons can be made is 2019. For the DoJ there were 2,323 (2019: 3,343) staff invited to complete the survey, of which 1,075 participated, a response rate of 46% (2019: 41.4%).

The Employee Engagement Index (EEI) is the weighted average of responses to the five employee engagement questions, and it ranges from 0% to 100%. DoJ responses indicated an EEI of 58% (2019: 51%), compared to the NICS average of 57% (2019: 51%). The full survey can be accessed at www.finance-ni.gov.uk/publications/nics-people-survey-results.

Staff policies and other employee related matters

Pay, workforce planning and performance management

All general service staff in NICTS have been on-boarded to HR Connect. This standardises the use of the performance management module on HR Connect for these staff.

Pay policy

Under the *Civil Service (NI) Order 1999*, DoF is responsible for the pay arrangements of NICS civil servants (apart from those Agencies, non-ministerial Government departments and other bodies with an agreed pay delegation). Current pay scales are available online. The pay award system aims to:

- be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- secure the confidence of staff that their pay will be determined fairly;
- secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- enable the Government to reconcile its responsibilities for the control of public expenditure

with its responsibilities as an employer.

Pensions and early departure costs

Present and past employees of NICTS are covered by the NICS pension arrangements. NICTS meets the costs of pensions provided for the staff they employ by the payment of charges called Accrued Superannuation Liability Charges. This is charged to the Statement of Comprehensive Net Expenditure (SoCNE) on an accrued basis annually.

NICTS is also required to meet the additional cost of benefits beyond the normal benefits in respect of employees who retire early. NICTS provides in full for this cost, charged against the SoCNE, when an early retirement programme has been announced.

In addition to information contained within the Remuneration and Staff Report, Notes 1.17 and 1.18 to the Accounts provide further detail on how the pension liabilities are calculated.

Employment, training and advancement of disabled persons

The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued.

The NICS has a wide and active network of Diversity Champions. The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the NICS.

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Mandatory training for recruitment and selection panel members includes raising awareness of unconscious bias. Unconscious bias training is available to all staff.

The NICS undertakes outreach activities to promote career opportunities to the disability sector and offers a Work Experience Scheme for People with Disabilities and participates in the annual international Job Shadow Day. In 2021-22 the NICS offered a number of work experience opportunities under the JobStart Scheme.

The NICS implemented a Guaranteed Interview Scheme (GIS) in 2021-22.

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons.

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICS HR. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and this year the focus continued on promoting the importance of improving the quality of the development conversation between managers and staff, with additional resources being added to the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

NICTS participated in the NICS Operational Delivery Apprenticeship Scheme, with three apprentices being appointed to frontline operational roles towards the end of 2021-22. The apprentices work four days per week in their operational placements, with the fifth “day release” day being allocated to performing the academic element of their apprenticeship at Belfast Metropolitan College. After two years of a combination of practical work and study, successful apprentices are expected to be placed in permanent roles as Administrative Officers.

Vision 2030 includes an ambitious People Programme which will, through the development of an NICTS People Strategy and associated annual delivery plans, establish an NICTS learning and development function and delivery model that addresses key business challenges and needs, e.g. line of business training, leadership development and change management. Annual learning and development plans, which will seek to build organisational capability and skills using innovative, efficient and effective delivery methods, will be published.

In addition to the standard NICS training provided through LInKS (the NICS Training Management System), NICTS organised training when specific training needs were identified, e.g. on the new Domestic Abuse legislation and associated procedures, ACE (Adverse Childhood Experiences) Awareness Training under the Trauma Informed Practice strategy of the Safeguarding Board for NI and contract management and tender evaluation training.

LIU and CSNI have been engaged in an extensive programme of providing resilience and wellbeing training and awareness sessions for front-line staff. We have been greatly assisted by representatives of the WAVE Trauma Centre and the Police Rehabilitation and Retraining Trust (PRRT) who have attended our offices to provide in-person and online events. We have also partnered with the PSNI to provide Family Liaison Officer (FLO) training for our staff and with their Welfare Team to share learning on wellbeing and a supportive work environment.

Employee consultation and trade union relationships

DoF is responsible for the NICS Industrial Relations Policy. NICS HR consults on HR policy with all recognised Trade Unions and local arrangements in place to enable consultation on matters specific to NICTS or an individual business area.

Staff equality, diversity and inclusiveness

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

The [NICS People Strategy](#) includes a range of actions that will help accelerate our ambition of a truly inclusive NICS, which reflects the society we serve.

As a key element of the NICS People Strategy, the ambitious diversity and inclusion programme of work is delivered through the implementation of an annual NICS Diversity Action Plan, and overseen by the leadership of the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICS HR, as well as through partnership working with stakeholder organisations.

In the next year taking into account the NICS People Strategy, NICTS will develop and implement a People Strategy specific to the needs of the agency. This strategy will form the foundation for the delivery of a wide range of projects and initiatives that will develop NICTS organisational-wide capacity, capability and culture to enhance the working lives of our people and improve the effectiveness of our services.

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS' commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#).

Expenditure on consultancy

[Audited information]

NICTS did not incur any expenditure on external consultancy in the financial year (2020-21: £Nil).

Expenditure on temporary staff

Expenditure incurred on temporary staff was as follows:

	2021-22	2020-21
	£000	£000
	<hr/>	<hr/>
Charged to Administration	138	94
Charged to Programme	<hr/> 2,893	<hr/> 2,458
Total	<hr/> 3,031	<hr/> 2,552

These amounts are included in 'Others' within the Staff Costs note in the Staff Report.

The temporary staff charged to Administration were engaged by the Estates and Finance branches. The temporary staff charged to Programme were mainly engaged by Court Operations and, to a lesser extent, Tribunals and Enforcement.

The main reason for the increase in costs in 2021-22 is continuing difficulty filling staff headcount, particularly at AO grade. Some temporary staff were also required to backfill for permanent staff working on new projects and on issues relating to recovering from the pandemic.

Off-payroll payments

[Audited information]

As required by DAO (DFP) 08/12 Tax Arrangements of Public Sector Appointees and FD (DoF) 02/21, NICTS undertook a review of the arrangements for making payments to individuals engaged by NICTS who are paid fees of £245 or more per day in the financial year and are not on the NICTS payroll. The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant. The number of off-payroll engagements is as follows:

Table 1: Temporary off-payroll worker engagements as at 31 March, earning £245 per day or greater:

	<u>2021-22</u>	<u>2020-21</u>
Number of existing engagements as of 31 March	25	15
<i>Of which have existed for:</i>		
Less than one year at time of reporting	6	-
Between one and two years at time of reporting	-	-
Between two and three years at time of reporting	-	-
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	19	15

Table 2: All temporary off-payroll workers engaged at any point during the financial year, earning £245 per day or greater:

	<u>2021-22</u>	<u>2020-21</u>
Number of off-payroll workers engaged during the year ended 31 March	25	22
<i>Of which:</i>		
Not subject to off-payroll legislation	25	22
Subject to off-payroll legislation and determined as in-scope of IR35	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	-
Number of engagements reassessed for compliance or assurance purposes during the year	-	-
<i>Of which: Number of engagements that saw a change to IR35 status following review</i>	-	-

Table 3: For any off-payroll engagements of board members (and/or senior officials with significant financial responsibility) between 1 April and 31 March:

	<u>2021-22</u>	<u>2020-21</u>
Number of off-payroll engagements of board members (and/or senior officials with significant financial responsibility) during the financial year.	-	-
Total number of individuals on payroll and off-payroll that have been deemed "board members (and/or senior officials with significant financial responsibility)" during the financial year.	5	7
This figure includes both on payroll and off-payroll engagements.		

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
< £10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	1	-	1
£50,001 - £100,000	-	-	2	1	2	1
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
Total number of exit packages	-	-	2	2	2	2
Total resource cost £	£Nil	£Nil	£117,678	£103,610	£117,678	£103,610

Comparative data for the previous year is shown in brackets.

Redundancy and other departure costs have been paid in accordance with the provisions of the *Civil Service Compensation Scheme (Northern Ireland)*, a statutory scheme made under the *Superannuation (Northern Ireland) Order 1972*. The table above shows the total cost of exit packages agreed and accounted for in 2021-22 and 2020-21. Exit costs of £117,678 were paid in 2021-22, the year of departure (2020-21: £103,610).

Where NICTS has agreed early retirements, the additional costs are met by NICTS and not by the Civil Service pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

ASSEMBLY ACCOUNTABILITY

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

Losses and Special Payments

[Audited information]

Losses statement

The total value of losses did not exceed £250k (2020-21: did not exceed £250k) and therefore no disclosure is required.

Special payments

During 2021-22 final compensation payments were made in 47 cases (2020-21: 44 cases) by NICTS. The total amount of compensation paid in these cases was £183k (2020-21: £438k).

There were no individual special payments in either year exceeding £250k.

Fees and charges

[Audited information]

An analysis of income from civil bill services provided to external and public sector customers is as follows:

	Income £000	Full Cost £000	2021-22 Surplus/ (deficit) £000	Income £000	Full Cost £000	2020-21 Surplus/ (deficit) £000
Civil Business	21,508	(29,564)	(8,056)	18,941	(29,774)	(10,833)

The above information is provided for fees and charges purposes, and not for IFRS 8 *Operating Segments* purposes.

Income and costs shown are in respect of fee earning business and have been accounted for in accordance with *MPMNI*. The costs above are calculated on a full cost basis, and include an allocation of administrative, judicial and overhead costs.

NICTS is committed to achieving full cost recovery for the services it provides in respect of civil court business. The target of full cost recovery takes account of measures in place to protect access to justice, namely the operation of a court fee exemption and remission policy and also the subsidisation of fees in the family and children's arenas. The income for 2021-22 represents 73% of cost recovery (2020-21: 64%).

The total amount of fees within the family and children's arenas which have been subsidised was £507.1k in 2021-22 (2020-21: £405.6k). Applicants in receipt of certain means tested benefits are entitled to automatic fee exemption. Total fee exemptions during 2021-22 amounted to £64.6k

(2020-21: £49.8k). Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2021-22 amounted to £13.6k (2020-21: £24.4k).

Remote contingent liabilities

[Audited information]

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, NICTS is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. NICTS had no significant remote contingent liabilities during 2020-21 that require disclosure.

Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT



Glyn Capper
Accounting Officer
27 June 2022

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Courts and Tribunals Service for the year ended 31 March 2022 under the *Government Resources and Accounts Act (Northern Ireland) 2001*. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Courts and Tribunals Service's affairs as at 31 March 2022 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Courts and Tribunals Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Courts and Tribunals Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Courts and Tribunals Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Courts and Tribunals Service is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the *Government Resources and Accounts Act (Northern Ireland) 2001*; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Courts and Tribunals Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Northern Ireland Court and Tribunal Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Courts and Tribunals Service will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the *Government Resources and Accounts Act (Northern Ireland) 2001*.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Courts and Tribunals Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the *Government Resources and Accounts Act (Northern Ireland) 2001*;
- making enquires of management and those charged with governance on the Northern Ireland Courts and Tribunals Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Court and Tribunal Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, testing of journal entries, discussing regularity with management, reading internal audit reports, and review of legal provisions. With regard to revenue recognition, our procedures included testing the design and implementation of relevant controls in place around revenue recognition, testing the process through which management has identified and quantified any income that needs to be accrued or deferred, evaluation accounting policies around revenue recognition and performing test of details in relation to cut off on revenue;

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

30 June 2022

PART 3 - FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2022

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2021-22 £000	2020-21 £000
Revenue from contracts with customers	6.1	(32,089)	(25,033)
Other operating income	6.2	(580)	(607)
Total operating income		(32,669)	(25,640)
Staff costs	4, 5	33,011	31,957
Purchase of goods and services	4, 5	55,406	46,911
Depreciation and impairment charges	4, 5	8,478	8,404
Provisions expense	5	(323)	555
Total operating expenditure		96,572	87,827
Net operating expenditure		63,903	62,187
Finance expense	5	593	700
Net expenditure for the year		64,496	62,887
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
- net gain on revaluation of property, plant and equipment	8	(8,281)	(8)
- net gain on revaluation of intangibles	9	(117)	(15)
- actuarial loss/(gain) on pension liability	16	669	(47)
Total other comprehensive net expenditure for the year		(7,729)	(70)
Comprehensive net expenditure for the year		56,767	62,817

All income and expenditure is derived from continuing operations.

The notes on pages 84 to 122 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

This Statement of Financial Position (SoFP) presents the financial position of NICTS. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2022 £000	2021 £000
Non-current assets			
Property, plant and equipment	8	210,520	207,914
Intangible assets	9	3,615	2,036
Total non-current assets		214,135	209,950
Current assets			
Assets classified as held for sale	12	60	60
Trade and other receivables	14	7,225	5,737
Cash and cash equivalents	13	2,355	4,310
Total current assets		9,640	10,107
Total assets		223,775	220,057
Current liabilities			
Trade and other payables	15	(21,109)	(19,100)
Provisions	16	(1,639)	(1,154)
Total current liabilities		(22,748)	(20,254)
Total assets less current liabilities		201,027	199,803
Non-current liabilities			
Provisions	16	(4,739)	(5,378)
Other payables	15	(7,316)	(9,072)
Total non-current liabilities		(12,055)	(14,450)
Total assets less total liabilities		188,972	185,353
Taxpayers' equity and other reserves			
General fund		49,875	49,949
Revaluation reserve		139,097	135,404
Total equity		188,972	185,353



Glyn Capper
Accounting Officer
27 June 2022

The notes on pages 84 to 122 form part of these accounts.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

The Statement of Cash Flows shows the changes in cash and cash equivalents of NICTS during the reporting period. It shows how NICTS generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by NICTS. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to future public service delivery.

	Note	2021-22 £000	2020-21 £000
Cash flows from operating activities			
Net expenditure for the year		(64,496)	(62,887)
Adjustment for non-cash transactions	3.2	9,790	10,611
Increase in trade and other receivables	14	(1,488)	(347)
<i>Movement in receivables relating to items not passing through the SoCNE</i>		(61)	(5)
Decrease in trade and other payables	15	(120)	(2,738)
<i>Movement in payables relating to items not passing through the SoCNE</i>		617	3,001
Use of provisions	16	(506)	(454)
Net cash outflow from operating activities		(56,264)	(52,819)
Cash flows from investing activities			
Purchase of property, plant and equipment	8, 15	(1,702)	(2,562)
Purchase of intangible assets	9, 15	(1,520)	(1,637)
Net cash outflow from investing activities		(3,222)	(4,199)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		49,475	53,293
From the Consolidated Fund (non-Supply)		9,349	8,703
Capital element of payments in respect of SoFP PFI contracts		(1,666)	(1,575)
Net financing		57,158	60,421
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to NICF		(2,328)	3,403
Receipts due to NICF which are outside scope of NICTS' activities		1	1
Payments of amounts due to NICF		(1)	(1)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to NICF		(2,328)	3,403
Cash and cash equivalents at the beginning of the period	13	4,223	820
Cash and cash equivalents at the end of the period	13	1,895	4,223

The notes on pages 84 to 122 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2022

This statement shows the movement in the year on the different reserves held by NICTS, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2020		44,542	140,188	184,730
Net Assembly Funding - drawn down		53,293	-	53,293
Consolidated Fund Standing Services	5,16	8,703	-	8,703
Comprehensive net expenditure for the year		(62,840)	23	(62,817)
Auditor's remuneration	4,5	120	-	120
Other notional charges	4,5	1,324	-	1,324
Transfer between reserves		4,807	(4,807)	-
Balance at 31 March 2021		49,949	135,404	185,353
Net Assembly Funding - drawn down		49,475	-	49,475
Consolidated Fund Standing Services	5,16	9,349	-	9,349
Comprehensive net expenditure for the year		(65,165)	8,398	(56,767)
Auditor's remuneration	4,5	123	-	123
Other notional charges	4,5	1,439	-	1,439
Transfer between reserves		4,705	(4,705)	-
Balance at 31 March 2022		49,875	139,097	188,972

The notes on pages 84 to 122 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 FReM issued by DoF. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NICTS for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in the year and preceding year in dealing with items considered material to the accounts, unless otherwise stated.

1.01 Accounting convention

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

The accounts are stated in sterling, which is the NICTS functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

1.02 Accounting boundary

These accounts incorporate the core activity of NICTS.

The funds invested by CFO are specifically excluded from the NICTS accounts, following DoF guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by the CFO are included in Note 22. Financial information about the CFO may be obtained from their separately published annual accounts.

Details of income collected as an agent for the NICF will be disclosed in the NICTS Trust Statement which is published separately from these financial statements.

1.03 Property, plant and equipment

NICTS holds title to the land and buildings shown in the accounts with the exception of Laganside Courts Complex which is leased under a Public Finance Initiative (PFI) contract (see Notes 8 and 18).

NICTS also occupies properties within the Northern Ireland Executive Estate. These are owned and/or managed by DoF and are excluded from these Accounts. The costs of occupancy of such properties are recovered on a notional basis from NICTS by DoF. Terms of occupancy of these buildings are outlined in an agreement known as the 'Memorandum of Terms of Occupancy'.

The property, plant and equipment note requires the amalgamation of asset categories under the plant and machinery heading. The asset categories represented by the plant and machinery heading include:

- plant and machinery;
- furniture and fittings;
- office equipment;
- security equipment; and
- antiques.

1.04 Valuation of property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is capitalised in line with the NICTS capitalisation policy.

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as 'under construction' are recognised in the SoFP to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment is carried at fair value.

Professional valuations of land and buildings are carried out independently by Land and Property Services (LPS) within DoF. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Institute of Revenues Rating and Valuation and the Incorporated Society of Valuers and Auctioneers. Land and buildings are restated to current value using professional valuations, in accordance with IAS 16, every five years and in the intervening years by the use of indices provided by LPS, specific to the Northern Ireland property sector. The last full valuation was carried out at 31 March 2019.

Land has been included in the accounts on the basis of open market value for existing use. Properties regarded as operational are valued on the basis of existing use, unless there is no market for the property or they are deemed to be specialised (e.g. courthouses), in which case they are valued on a depreciated replacement cost basis.

Land and buildings that are non-operational or surplus assets are valued on the basis of open market value less any directly attributable selling costs.

Antiques held by NICTS are included in the plant and equipment classification and are professionally valued every five years. The valuation was carried out at 31 March 2019 by John Ross & Co (a member of the Irish Auctioneers and Valuers Institute).

All other property, plant and equipment is revalued annually using appropriate indices provided by the Office for National Statistics (ONS).

Upward revaluations are credited to the Revaluation Reserve and downward revaluations are debited to the Revaluation Reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation charged to the SoCNE.

1.05 Intangible assets

Expenditure on intangible assets consists of licences and software.

Expenditure on computer software licences lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

Expenditure of over £1,000 on intangible assets is capitalised in line with the NICTS capitalisation policy.

All intangible assets are carried at depreciated replacement cost and revalued annually using appropriate indices provided by the ONS.

1.06 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated or amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Land is not depreciated since it has an unlimited or very long estimated useful life. Assets in the course of construction are depreciated from the point when the asset is brought into use.

Estimated useful lives are normally in the following ranges:

Asset category		Estimated useful life
Land	Freehold	Not depreciated
	Leasehold	Not depreciated
Buildings	Freehold	20 - 83 years
	Leasehold	Period of lease
Plant and machinery	Furniture and fittings	10 years
	Office machinery and equipment	5 years
	Antiques (non-operational)	Not depreciated
Information technology	Computer hardware	3 - 7 years
	Telecoms and networks	3 - 7 years
Assets under construction		Not depreciated
Intangible assets	Software licences	3 - 7 years
	Software	3 - 7 years

Additions to assets are depreciated/amortised from the month of acquisition. Disposals from assets are not depreciated/amortised in the month of disposal.

1.07 Realised element of depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

1.08 Financial instruments

Recognition and de-recognition of financial assets and financial liabilities

IFRS 9 *Financial Instruments* requires the recognition of a financial asset or financial liability in the SoFP when NICTS becomes a party to the contractual provisions of the instrument. They are measured initially at fair value and transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to, or deducted from, the fair value as appropriate on initial recognition.

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when NICTS becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when NICTS no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets held in this category are initially recognised and subsequently measured at fair value, with changes in value recognised in the income statement in the line which most appropriately reflects the nature of the item or transaction.

NICTS has financial assets in the form of trade receivables and cash and cash equivalents.

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest rate method less provisions for doubtful receivables. Trade receivables are usually due for settlement within 30 days. Provisions for doubtful receivables are made specifically where there is objective evidence of a dispute or inability to pay.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

Impairment of financial assets

NICTS always recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

Impairment gains or losses are recognised when the rights to receive cash flows have expired or have been transferred and NICTS has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and NICTS has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial liabilities

Trade and other payables

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

NICTS derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the SoCNE.

1.09 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered through sale rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed within one year from the date of classification.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation is not charged once an asset has been classified as held for sale.

1.10 Inventory

There was no inventory held in 2021-22. Inventory of consumable stores held by NICTS are not considered material and are written off in the SoCNE as they are purchased.

Assets seized by the EJO are not included in inventories on the basis that they are not owned by NICTS, but are held for resale in settlement of third party creditors. Third party assets held by the EJO at the year end are disclosed in Note 22 (Third Party Assets).

1.11 Value Added Tax (VAT)

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.12 Leases

Operating leases

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the SoCNE on a straight-line basis over the period of the lease.

Finance leases

Leases of property, plant and equipment where NICTS holds substantially all the risks and rewards of ownership are classified as finance leases.

NICTS has no obligations under finance leases other than the PFI commitment.

1.13 Public Private Partnership (PPP)/Public Finance Initiatives (PFI) transactions

DoF has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure, and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of the International Financial Reporting Standards Committee Update (IFRIC 12 *Service Concession Arrangements*). NICTS therefore recognises the PFI asset as a non-current asset and the liability to pay for it is accounted for as a finance lease.

Contract payments are apportioned between an imputed finance lease charge and a service charge. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI assets, including replacement of components; and
- Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within Note 5 (Programme costs).

PFI assets

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17 *Leases*.

Subsequently, the assets are measured at fair value, which is kept up to date in accordance with NICTS' approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the 'sum of digits' methodology to the anticipated total interest due over the life of the contract. This is charged to 'Operating expenditure' within SoCNE.

Further details of current on-going agreements are shown in Note 18.

1.14 Provisions

Provision is made for legal or constructive obligations, which are of uncertain timing or amount at the reporting date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the general provision discount rates as set out by HM Treasury which varies by the term of the liability, as shown in the table below:

Rate	Nominal Rate
Short-term	0.47%
Medium-term	0.70%
Long-term	0.95%
Very long-term	0.66%

Further details on provisions are contained in Note 16.

1.15 Contingent liabilities

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, NICTS discloses as contingent liabilities potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the control of NICTS, unless their likelihood is considered to be remote.

In addition, NICTS discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *MPMNI*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Further details of contingent liabilities are contained within Note 20.

1.16 Third party assets

Third party assets are assets for which NICTS acts as custodian or trustee, but in which neither NICTS nor public sector more generally has a direct beneficial interest. Third party assets are not public assets, and hence are not recorded in the primary financial statements.

In the interests of general disclosure and transparency, details of NICTS third party assets are provided in Note 22.

1.17 Employee benefits

Under the requirements of IAS 19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date. NICTS has recognised both annual and flexi leave entitlements that have been earned by the year end but not taken. The cost of untaken leave has been included in the Staff Costs.

1.18 Pension costs

Past and present employees of NICTS are covered by the provisions of the NICS pension arrangements, which are unfunded defined benefit schemes and are non-contributory, except in respect of dependents' benefits.

NICTS recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, NICTS recognises the contributions payable for the year.

Further details regarding the above schemes are contained in the Staff Report.

1.19 Early departure costs

NICTS is required to meet the additional cost of benefits beyond the normal NICS pension arrangements in respect of employees who retire early by paying the required amounts annually to the NICS pension arrangements over the period between early departure and normal retirement age. NICTS provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

1.20 Administration and programme analysis

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs under the administrative cost control regime set by DoF. Broadly, administration expenditure reflects the costs of running NICTS and includes expenditure on administrative staff and associated costs including accommodation, information technology, communications and office supplies. Programme costs relate directly to service delivery activities for operating, managing and maintaining the courts and tribunals.

1.21 Notional charges

Notional charges, in respect of services received from other Government departments and agencies, are included to reflect the full economic cost of services.

1.22 Revenue recognition

In accordance with IFRS 15 *Revenue from Contracts with Customers* NICTS recognises income as follows:

Financing

NICTS is primarily resourced by funds approved by the Assembly through the annual Supply process. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. In addition, NICTS is financed by non-supply funding from the NICF in respect of the costs relating to Judicial Salaries.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which NICTS is expected to receive, or has already received, in exchange for transferring goods or services to a customer. For each contract with a customer, revenue is recognised when NICTS' performance obligations in the contract have been met. Where a performance obligation has not been met, or is expected to be met at a point in the future, this is recognised as a contract liability within Payables (Note 15). Where revenue is expected based on performance obligations being met by NICTS, this is recognised as a contract asset within Receivables (Note 14).

Fees, levies and charges

This principally comprises fees and charges for services provided on a full cost basis to external customers. Revenue from fees, levies and charges is recognised over time as the services are rendered, based on either a fixed price or an agreed rate.

Further details are contained in Note 2 (Statement of Operating Expenditure by Operating Segment).

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered, based on actual costs incurred and, in some instances, plus an additional management fee.

Other revenue from contracts

Revenue is recognised when NICTS has met its performance obligations and the right to receive a payment has been established.

Other operating income

Other operating income includes other non-trading income for which no associated goods or service has been provided, or it is unrelated to NICTS' ordinary business activities, for example court facility rental payments and capital grant income. This is recognised when income is

received, or when the right to receive payment is established.

Consolidated Fund Extra Receipts (CFERs)

CFERs which do not fall to be treated as operating income are payable directly to the Consolidated Fund. These amounts comprise sundry receipts which have not been incorporated into the Estimate due to their irregular nature and/or uncertainty of receipt.

Fines income received by NICTS is not treated as income for the purposes of these accounts. All fines income is recorded in the NICTS Trust Statement and is payable to the NICF via DoJ as CFERs. An analysis of fines collected is detailed within Note 7.

1.23 Segmental reporting

Under the requirements of IFRS 8 *Operating Segments*, NICTS must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates.

'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the Chief Operating Decision Maker. As total assets for segments are not regularly reported to the Chief Operating Decision Maker NICTS has adopted this amendment. The amendment does not have a material impact on the NICTS financial statements.

Full details of the reporting segments are contained within Note 2.

1.24 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying NICTS' accounting policies. NICTS continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

(i) Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.06.

(ii) Revaluation of property, plant and equipment and intangibles

Where property, plant and equipment have been revalued in accordance with IAS 16, a number of assumptions and judgements have been used to estimate the valuations.

(iii) Judicial Service Awards (JSA) – Salaried Judicial Office Holders and Fee Paid Office Holders

NICTS accounts for pension and other post-retirement benefits in accordance with IAS 19 *Employee Benefits*. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation and mortality rates.

The fee paid office holders JSA provision relates to fee paid office holders' employment terms and conditions that are subject to an additional degree of uncertainty as they are calculated using assumptions, some of which are subject to ongoing litigation. Further details on the pension provision are contained in Note 16.2.

(iv) Contract liabilities and deferred income

NICTS' deferred income is accounted for as Contract Liabilities in accordance with IFRS 15. Fee revenue is recognised in the accounting period in which NICTS' performance obligations are deemed to have been met. Any fee income received prior to full performance obligations being met is treated as a contract liability. The calculation of the liability is based on estimates of the time taken to dispose of cases (within High Court, County Court and Magistrates' Court) and the duration of enforcement activity (within EJO). Average time statistics for the different case types are obtained annually.

(v) Contingent liabilities

NICTS have a number of contingent liabilities relating to the potential outcomes of ongoing legal cases. While the outcomes remain uncertain, the calculation of potential impacts on NICTS will be subject to a number of different estimates and assumptions. Further details on the contingent liabilities are contained in Note 20.

Other than as noted above, no material accounting estimates or judgements were made by NICTS in preparing these accounts.

1.25 Prior period adjustment

There were no prior period adjustments in the financial year.

1.26 Accounting standards, interpretations and amendments to published standards and FReM – issued and effective in 2021-22 for the first time

There were no accounting initiatives issued and effective in 2021-22 for the first time.

1.27 Accounting standards, interpretations and amendments to published Standards not yet effective

NICTS has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for NICTS' accounting periods beginning on or after 1 April 2022 or later periods, but which NICTS has not adopted early. Other than as outlined below, NICTS considers that these Standards are not relevant or material to its operations.

Standard	IFRS 16 <i>Leases</i> (replaces IAS 17 <i>Leases</i> and related interpretations)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.
Description of revision	<p>The International Accounting Standards Board (IASB) issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases, largely eliminating the current 'off-balance sheet' treatment of operating leases under IAS 17, and introducing a single lessee accounting model and requires a lessee to recognise a "right of use" asset (the right to use the leased item) and a financial liability for any leases where the term is greater than 12 months, excluding those where the associated right of use asset is of low value. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 <i>Financial Instruments</i>, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Impact of the new standard	NICTS has assessed the impact that the application of IFRS 16 will have on the SoCNE for the financial year ending 31 March 2023 and on the SoFP at that date. The figures below are for two existing leases for buildings as at 31 March 2022. The standard is expected to increase total expenditure in 2022-23 by approximately £1k. The recognition of right of use assets associated with existing operating leases, is expected to increase the value of non-current assets by approximately £68k, while liabilities will increase by approximately £68k. The impact of IFRS 16 on the PFI will be determined in 2022-23, when the HMT guidance for the public sector is published.

SoCNE impact of IFRS 16*	£000
Expenditure expected in 2022-23:	
Depreciation	24
Interest expense	-
IAS 17 basis Rental payments	(24)
Increased expenditure	-

SoFP impact of IFRS 16*	£000
Existing IAS 17 operating leases – right of use assets at 1 April 2022	59
Existing IAS 17 operating leases – lease liabilities at 1 April 2022	(59)

Amendments or interpretations issued but not yet effective

Standard	Classification of Liabilities as Current or Non-current
Effective date	1 January 2023 (pending UK endorsement)
FReM application	To be advised
Summary	<p>Classification of Liabilities as Current or Non-current clarifies a criterion in <i>IAS 1 Presentation of Financial Statements</i> for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.</p> <p>Classification of Liabilities as Current or Non-current – Deferral of Effective date was issued in July 2020 and deferred the mandatory effective date of amendments to <i>IAS 1 Classification of Liabilities as Current or Non-current</i> to annual reporting periods beginning on or after 1 January 2023.</p>

1.28 Financial reporting - future developments

NICTS has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations from the 2018-20 Annual improvement cycle, and projects where standards, amendments or interpretations are in development. Other than as outlined below, NICTS considers that these changes are not relevant or material to its operations.

Amendments or interpretations from the 2018-20 Annual Improvement Cycle

Standard	IFRS 16 <i>Leases</i> – Lease Incentives Annual improvement cycle
Effective date	1 January 2022 (pending UK endorsement)
FReM application	To be applied once endorsed
Summary	The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

2. Statement of Operating Expenditure by Operating Segment

The following operating segments are reported to senior managers for financial management purposes:

- Court Operations;
- Tribunals and Enforcement;
- Lady Chief Justice's Office;
- Modernisation Programme; and
- Corporate Services.

The NICTS operating segments are determined by the services provided both to external and internal customers.

						2021-22
	Court Operations £000	Tribunals and Enforcement £000	Lady Chief Justice's Office £000	Modernisation Programme £000	Corporate Services £000	Total £000
Gross expenditure	57,935	17,220	14,115	3,286	4,609	97,165
Income	(20,241)	(12,262)	-	(19)	(147)	(32,669)
Net expenditure	37,694	4,958	14,115	3,267	4,462	64,496
						2020-21
	Court Operations £000	Tribunals and Enforcement £000	Office of the Lord Chief Justice £000	Modernisation Programme £000	Corporate Services £000	Total £000
Gross expenditure	53,235	13,493	13,885	4,145	3,769	88,527
Income	(17,275)	(8,200)	(8)	(19)	(138)	(25,640)
Net expenditure	35,960	5,293	13,877	4,126	3,631	62,887

3.1 Summary of operating income and expenditure

	Note	Administration £000	Programme £000	2021-22 Total £000
Revenue from contracts with customers	6.1	(166)	(31,923)	(32,089)
Other operating income	6.2	-	(580)	(580)
Total operating income		(166)	(32,503)	(32,669)
Staff costs	4,5	3,761	29,250	33,011
Purchase of goods and services	4,5	1,497	53,909	55,406
Depreciation and impairment charges	4,5	1,474	7,004	8,478
Provisions expense	5	-	(323)	(323)
Total operating expenditure		6,732	89,840	96,572
Net operating expenditure		6,566	57,337	63,903
Finance expense	5	-	593	593
Net expenditure for the year		6,566	57,930	64,496

	Note	Administration £000	Programme £000	2020-21 Total £000
Revenue from contracts with customers	6.1	(157)	(24,876)	(25,033)
Other operating income	6.2	-	(607)	(607)
Total operating income		(157)	(25,483)	(25,640)
Staff costs	4,5	3,981	27,976	31,957
Purchase of goods and services	4,5	1,452	45,459	46,911
Depreciation and impairment charges	4,5	1,430	6,974	8,404
Provisions expense	5	-	555	555
Total operating expenditure		6,863	80,964	87,827
Net operating expenditure		6,706	55,481	62,187
Finance expense	5	-	700	700
Net expenditure for the year		6,706	56,181	62,887

3.2 Non-cash costs

	Note	Administration £000	Programme £000	2021-22 Total £000
Purchase of goods and services	4,5	493	1,136	1,629
Depreciation and impairment charges	4,5	1,474	7,004	8,478
Provisions expense	5	-	(323)	(323)
Finance expense	5	-	6	6
Total non-cash costs		1,967	7,823	9,790

3.2 Non-cash costs (continued)

	Note	Administration £000	Programme £000	2020-21 Total £000
Purchase of goods and services	4,5	501	1,128	1,629
Depreciation and impairment charges	4,5	1,430	6,974	8,404
Provisions expense	5	-	555	555
Finance expense	5	-	23	23
Total non-cash costs		1,931	8,680	10,611

4. Other administration expenditure

	Note	2021-22 £000	2020-21 £000
Staff costs*			
Wages and salaries		2,706	2,844
Social security costs		274	297
Other pension costs		781	840
		3,761	3,981
Purchase of goods and services			
Cash items:			
Accommodation costs		36	87
Office services		50	74
Consumables, equipment and transport costs		36	37
Contracted out and managed services		425	517
Professional and consultancy services		376	140
Staff related costs		64	79
Other costs		-	1
Commission and Tribunal costs		17	16
		1,004	951
Non-cash items:			
Loss on disposal of non-current assets	8, 9	6	-
Auditor's remuneration and expenses		101	99
Notional charges		386	402
		493	501
Total purchase of goods and services		1,497	1,452
Depreciation and impairment charges			
Depreciation	8	1,039	995
Amortisation	9	400	435
Revaluation released to SoCNE	8, 9	35	-
		1,474	1,430
Total administration expenditure excluding finance expense		6,732	6,863
Interest payable and similar charges		-	-
Total administration expenditure including finance expense		6,732	6,863

* Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

5. Programme expenditure

	Note	2021-22 £000	2020-21 £000
Staff costs*			
Wages and salaries		21,905	20,835
Social security costs		1,885	1,822
Other pension costs		5,460	5,319
		29,250	27,976
Purchase of goods and services			
Cash items:			
Accommodation costs		5,458	4,933
Office services		981	862
Consumables and equipment costs		55	68
Contracted out and managed services		9,902	8,475
Professional and consultancy services		2,190	1,508
Client and other programme operating costs		442	437
Rentals under operating leases		454	280
Staff related costs		226	179
Other costs		146	356
Commission and Tribunal costs		10,185	6,696
PFI service charges		3,127	2,854
Judicial costs		10,535	9,111
Judicial costs - Consolidated Fund		9,072	8,572
		52,773	44,331
Non-cash items:			
Loss on disposal of non-current assets	8, 9	-	180
Auditor's remuneration and expenses		22	21
Notional charges		1,053	922
Other non-cash items		61	5
		1,136	1,128
Total purchase of goods and services		53,909	45,459
Depreciation and impairment charges			
Depreciation	8	6,915	6,878
Amortisation	9	87	93
Revaluation released to SoCNE	8, 9	2	3
		7,004	6,974
Provisions expense			
Provided in year	16	1,028	700
Written back in year	16	(1,351)	(145)
		(323)	555
Total programme costs excluding finance expense		89,840	80,964
Finance expense			
Interest payable and similar charges		587	677
Borrowing costs on provisions	16	6	23
		593	700
Total programme costs including finance expense		90,433	81,664

* Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

5.1 Programme expenditure relating to the HIA Redress Board

The HIA Redress Board, an ALB of TEO, was established in December 2019 and became operational on 31 March 2020. Through a service level agreement, NICTS is responsible for providing administrative support and making the necessary compensation payments to victims and survivors, as advised by the HIA Redress Board.

The running costs borne by NICTS on behalf of the HIA Redress Board are recouped from TEO each month, along with a NICTS management fee for services rendered. The compensation payments processed by NICTS are also recouped from TEO but the recoupment is netted off against the payment so the expenditure and income relating to compensation payments are excluded from the NICTS SoCNE. Compensation payments of £26,781k were processed in 2021-22 (2020-21: £10,467k).

The running costs relating to the HIA Redress Board included in Programme Expenditure (Note 5) are:

	Note	2021-22 £000	2020-21 £000
Staff costs			
Wages and salaries	5	1,080	898
Social security costs	5	75	71
Other pension costs	5	211	196
		1,366	1,165
Purchase of goods and services			
Office services	5	4	8
Consumables and equipment costs	5	-	17
Contracted out and managed services	5	81	69
Professional and consultancy services	5	797	230
Staff related costs	5	1	6
Commission and Tribunal costs	5	424	172
Judicial costs	5	1,215	498
Judicial costs - Consolidated Fund	5	-	549
		2,522	1,549
Notional charges*	5	-	-
Interest payable and similar charges	5	1	-
		1	-
Total programme costs		3,889	2,714
Programme expenditure recouped from TEO			
Income – rendering of services	6	(3,889)	(2,165)
Balance not recouped from TEO**		-	549

* In 2021-22 the HIA Redress Board incurred £25k of the notional costs charged to NICTS by DoF for NICS shared services (2020-21: £20k). These notional charges have been transferred to TEO as the sponsoring department of the HIA Redress Board.

** In 2020-21 one High Court Judge and two County Court Judges were assigned by NICTS to the HIA Redress Board as the President and Judicial Panel members. The £549k Consolidated Fund element of their judicial salaries was not recouped in 2020-21 because NICTS received funding from the Consolidated Fund for these judicial costs.

6. Income

6.1 Revenue from contracts with customers

	2021-22 £000	2020-21 £000
Court fees, levies and charges	22,705	19,896
Rendering of services	8,052	4,046
Other revenue from contracts	1,332	1,091
	32,089	25,033

Disaggregation of Revenue from contracts with customers per operating segment is as follows:

	2021-22					
	Court Operations £000	Tribunals and Enforcement £000	Lady Chief Justice's Office £000	Modernisation Programme £000	Corporate Services £000	Total £000
Fees, levies and charges	15,521	7,184	-	-	-	22,705
Rendering of services	4,171	3,734	-	-	147	8,052
Other revenue from contracts	-	1,313	-	19	-	1,332
Revenue from contracts with customers	19,692	12,231	-	19	147	32,089

	2020-21					
	Court Operations £000	Tribunals and Enforcement £000	Office of the Lord Chief Justice £000	Modernisation Programme £000	Corporate Services £000	Total £000
Fees, levies and charges	14,354	5,542	-	-	-	19,896
Rendering of services	2,346	1,554	8	-	138	4,046
Other revenue from contracts	-	1,072	-	19	-	1,091
Revenue from contracts with customers	16,700	8,168	8	19	138	25,033

6.2 Other operating income

	2021-22 £000	2020-21 £000
Rental income	527	538
Other non-trading income	53	69
	580	607

7. Summary of fine income payable to Consolidated Fund

The income shown in Note 6 does not include any amounts collected by NICTS where it was acting as an agent for the NI Consolidated Fund, rather than as principal. These amounts will be disclosed in the NICTS Trust Statement which is published separately from these financial statements. Due to the timing of the laying of the Trust Statement for 2021-22, NICTS has continued to disclose these details for the current year.

NICTS accepts payment for amounts imposed in the Magistrates' and Crown courts for onward transmission to NICF via DoJ. Amounts imposed in court can be cleared either by payment or by means other than payment, including committal to prison.

NICTS also receives payment for penalties that are imposed externally to the courts including fixed penalties imposed for motoring offences. These penalties are accounted for as NICF income from date of imposition.

On collection of fines the receipts are held on trust and accounted for as amounts due to NICF until paid over.

The net revenue payable to the consolidated fund consists of the following elements:

Trust Statement Net Revenue

	2021-22 £000	2020-21 Restated £000
Revenue		
Fixed Penalty Notices	2,675	1,989
Court Imposed Fines	5,772	4,573
Offender Levy	459	353
Extra Costs	11	-
Confiscation Orders	965	1,435
Other Party Criminal	1,691	915
	11,573	9,265
Expenditure		
Credit Losses	(1,446)	(2,461)
Revenue retained by NICTS under Statute	(1,825)	(1,255)
Disbursements		
Amounts paid to Other Parties	(1,337)	(877)
Amounts paid to Safety Camera Scheme	(1,151)	(1,003)
	(5,759)	(5,596)
Net Revenue for the Consolidated Fund	5,814	3,669

The amounts that have been received and are due to be paid over to the Consolidated Fund consist of the following elements:

Trust Statement Balance Held on Trust

	2021-22 £000	2020-21 £000
Balance Held on Trust at 1 April	773	293
Fines cleared by receipt of payment	7,712	6,246
Payments to Consolidated Fund	(5,458)	(3,509)
Payments to Others	(2,976)	(2,257)
Balance Held on Trust at 31 March	51	773

7. Summary of fine income payable to Consolidated Fund (continued)

The receivables balance at the year end was £8.1m (2020-21: £7.2m). This includes those receivables which are not payable to the Consolidated Fund, for example compensation.

Trust Statement Balance Receivable

	2021-22	2020-21
	£000	Restated* £000
Balance receivable at 1 April	7,189	7,575
Amounts imposed	11,573	9,265
Fines cleared by receipt of payment	(9,239)	(7,190)
Refund due from Consolidated Fund	-	-
Fines cleared by competent authority	(1,447)	(892)
Increase in impairment provision	-	(1,569)
Balance receivable at 31 March	8,076	7,189

**The 2020-21 balances have been restated within this note to reflect the contents of the Trust Statement for 2020-21 and in line with the requirements of Chapter 8.2 of FReM, Consolidated Fund Revenue. We note that within the DoJ consolidated accounts comparative figures have not been restated as these are included in the Statements of Assembly Supply in the DoJ consolidated accounts and, for the purposes of Assembly Control, these figures are indelible.*

8. Property, plant and equipment

2021-22

	Land £000	Buildings £000	Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2021	36,220	184,369	4,323	4,886	229,798
Additions	-	1,403	224	695	2,322
Disposals	-	-	-	(450)	(450)
Revaluation, indexation and impairment released to SoCNE	-	1	-	(60)	(59)
Revaluation, indexation and impairment released to Revaluation Reserve	-	9,261	72	(1)	9,332
At 31 March 2022	36,220	195,034	4,619	5,070	240,943
Depreciation					
At 1 April 2021	-	16,375	3,025	2,484	21,884
Charged in year	-	7,069	126	759	7,954
Disposals	-	-	-	(444)	(444)
Revaluation, indexation and impairment released to SoCNE	-	-	-	(22)	(22)
Revaluation, indexation and impairment released to Revaluation Reserve	-	1,032	19	-	1,051
At 31 March 2022	-	24,476	3,170	2,777	30,423
Carrying amount at 31 March 2022	36,220	170,558	1,449	2,293	210,520
Carrying amount at 31 March 2021	36,220	167,994	1,298	2,402	207,914
Asset financing:					
Owned	36,220	129,176	1,449	2,293	169,138
On SoFP PFI contracts*	-	41,382	-	-	41,382
Carrying amount at 31 March 2022	36,220	170,558	1,449	2,293	210,520

* Further details regarding the PFI contract are contained in Note 18.

There are no donated assets to report.

IAS 16 requires measurement of assets at fair value.

Land and buildings were externally valued by LPS as at 31 March 2019. The valuation was carried out by LPS in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

The next valuation by LPS will be effective from 31 March 2024. Indexation (as advised by LPS) is applied between asset valuations to update the asset register.

All Buildings are valued on a depreciated replacement cost basis with the exception of one Courthouse that was valued at market value, due to its non-operational status, and is classified as held for sale (Note 12).

8. Property, plant and equipment (continued)

Antiques have been included in the Plant and Machinery classification and are professionally valued every five years. The valuation was carried out at 31 March 2019 by John Ross & Co.

As at 31 March 2022 Plant and Machinery (excluding Antiques) and Information Technology assets have been adjusted to their current value by reference to the appropriate indices compiled by ONS.

At 31 March 2022 the amount of revaluation surplus that relates to property, plant and equipment is £138,962k (at 31 March 2021: £135,374k).

2020-21

	Land £000	Buildings £000	Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2020	36,310	184,192	4,046	3,908	228,456
Additions	-	275	291	976	1,542
Disposals	(90)	(94)	(27)	(5)	(216)
Transfers and reclassification	-	(4)	1	3	-
Revaluation, indexation and impairment released to SoCNE	-	-	-	-	-
Revaluation, indexation and impairment released to Revaluation Reserve	-	-	12	4	16
At 31 March 2021	36,220	184,369	4,323	4,886	229,798
Depreciation					
At 1 April 2020	-	9,220	2,924	1,892	14,036
Charged in year	-	7,166	114	593	7,873
Disposals	-	(14)	(18)	(4)	(36)
Transfers and reclassification	-	-	-	-	-
Revaluation, indexation and impairment released to SoCNE	-	3	-	-	3
Revaluation, indexation and impairment released to Revaluation Reserve	-	-	5	3	8
At 31 March 2021	-	16,375	3,025	2,484	21,884
Carrying amount at 31 March 2021	36,220	167,994	1,298	2,402	207,914
Carrying amount at 31 March 2020	36,310	174,972	1,122	2,016	214,420
Asset financing:					
Owned	36,220	127,126	1,298	2,402	167,046
On SoFP PFI contracts*	-	40,868	-	-	40,868
Carrying amount at 31 March 2021	36,220	167,994	1,298	2,402	207,914

* Further details regarding the PFI contract are contained in Note 18.

8. Property, plant and equipment (continued)

In December 2020 NICTS completed the legal process to facilitate the Community Asset Transfer of Bangor Courthouse (valued at £180k) to Bangor Open House Festival, a community arts based group. This was transferred at £Nil proceeds and is disclosed as a loss on the disposal of non-current assets in 2020-21 in Programme Expenditure (Note 5) and the SoCNE.

9. Intangible assets

Intangible assets comprise internally and externally developed software, software licences and websites.

2021-22

	Software Licences £000	Externally Developed Software £000	Assets Under Construction £000	Total £000
Cost or valuation				
At 1 April 2021	383	12,868	520	13,771
Additions	52	595	1,302	1,949
Disposals	(244)	-	-	(244)
Transfers and reclassification	-	202	(202)	-
Revaluation, indexation and impairment released to Revaluation Reserve	10	185	-	195
At 31 March 2022	201	13,850	1,620	15,671
Amortisation				
At 1 April 2021	336	11,399	-	11,735
Charged in year	35	452	-	487
Disposals	(244)	-	-	(244)
Transfers and reclassification	-	-	-	-
Revaluation, indexation and impairment released to Revaluation Reserve	5	73	-	78
At 31 March 2022	132	11,924	-	12,056
Carrying amount at 31 March 2022	69	1,926	1,620	3,615
Carrying amount at 31 March 2021	47	1,469	520	2,036
Asset financing:				
Owned	69	1,926	1,620	3,615
Carrying amount at 31 March 2022	69	1,926	1,620	3,615

Intangible assets are adjusted to their current value each year by reference to appropriate indices supplied by ONS.

At 31 March 2022, the amount of revaluation surplus that relates to intangible assets is £135k (at 31 March 2021: £30k).

9. Intangible assets (continued)

2020-21

	Software Licences £000	Externally Developed Software £000	Assets Under Construction £000	Total £000
Cost or valuation				
At 1 April 2020	356	11,910	249	12,515
Additions	26	934	271	1,231
Revaluation, indexation and impairment released to Revaluation Reserve	1	24	-	25
At 31 March 2021	383	12,868	520	13,771
Amortisation				
At 1 April 2020	312	10,885	-	11,197
Charged in year	24	504	-	528
Revaluation, indexation and impairment released to Revaluation Reserve	-	10	-	10
At 31 March 2021	336	11,399	-	11,735
Carrying amount at 31 March 2021	47	1,469	520	2,036
Carrying amount at 31 March 2020	44	1,025	249	1,318
Asset financing:				
Owned	47	1,469	520	2,036
Carrying amount at 31 March 2021	47	1,469	520	2,036

10. Impairment

	2021-22 £000	2020-21 £000
Charged/(credited) directly to the SoCNE		
Property, plant and equipment	37	3
Intangible assets	-	-
	37	3
Taken through the revaluation reserve		
Property, plant and equipment	(8,281)	(8)
Intangible assets	(117)	(15)
	(8,398)	(23)
Total revaluation gain for the year	(8,361)	(20)

11. Financial instruments

11.1 Disclosures

IFRS 9: *Financial Instruments*, IAS 32: *Financial Instruments: Presentation*, and IFRS 7: *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for NICTS financial position and performance, the nature and extent of risks arising from financial instruments to which NICTS is exposed during the period and at the reporting date, and how NICTS manages those risks.

Due to the non-trading nature of its activities and the way in which it is financed, NICTS is not exposed to the degree of financial risk faced by business entities.

NICTS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing NICTS in undertaking its activities.

Classification of financial instruments

All NICTS financial instruments are measured at amortised cost. NICTS financial assets are classified as receivables and comprise trade and other receivables (Note 14) and cash and cash equivalents (Note 13). NICTS financial liabilities comprise payables excluding tax assets, accruals and deferred income (Note 15). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. NICTS recognises the components of net gain/loss through the SoCNE. Interest on financial instruments is recognised as a finance expense under Programme Costs in Note 5.

Risk Management

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. NICTS is exposed to credit risk in relation to the carrying amounts of the trade receivables carried in the SoFP. The size of the risk is reflected in the receivables impairment (Note 14.1).

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. NICTS net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly, as is capital expenditure. NICTS is therefore not exposed to significant liquidity risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NICTS' financial assets and liabilities carry nil or fixed rates of interest. NICTS is therefore not exposed to any interest rate risk.

11. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. NICTS does not have the authority to manage currency risk through hedging.

Embedded derivatives

In accordance with IFRS 9 *Financial Instruments*, NICTS has reviewed contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Laganside PFI contract for NICTS, there is a payment mechanism that determines the charge that NICTS will pay from 2009 to 2026 which is based on the UK Retail Price Index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment in which NICTS operates.

11.2 Financial guarantees, indemnities and letters of comfort

NICTS has not entered into any unquantifiable guarantees, indemnities or provided letters of comfort. There are no contingent liabilities within the meaning of IFRS 9 since the likelihood of a transfer of economic benefit in settlement is too remote.

NICTS has not entered into any quantifiable guarantees, indemnities or provided letters of comfort that fall to be measured under IFRS 9.

12. Assets classified as held for sale

	2021-22 £000	2020-21 £000
<i>Land and building</i>		
Balance at 1 April	60	60
Transfers	-	-
Balance at 31 March	60	60

Larne Courthouse is still classified as held for sale, with its market value remaining unchanged at £60k. A business case for sale of the courthouse was approved by DoF in May 2019. Progress on the sale has been somewhat restricted as a result of the pandemic. Work is being progressed to decommission security infrastructure, after which the disposal process will continue through DoF, LPS.

13. Cash and cash equivalents

	2021-22 £000	2020-21 £000
Balance at 1 April	4,223	820
Net change in cash and cash equivalent balances	(2,328)	3,403
Balance at 31 March	1,895	4,223

The following balances at 31 March are held at:

NI Banking Pool	1,894	4,222
Commercial banks and cash in hand	1	1
Balance at 31 March	1,895	4,223

Balances for cash and cash equivalents are disclosed in the SoFP as follows:

	Note	2021-22 £000	2020-21 £000
Current assets		2,355	4,310
Current liabilities	15	(460)	(87)
Total		1,895	4,223

14. Trade receivables, financial and other assets

	Note	2021-22 £000	2020-21 Restated £000
Amounts falling due within one year:			
VAT recoverable		917	858
Other receivables	14.1	1,462	1,253
Prepayments		822	923
Accrued income		3,240	2,100
Contract assets	14.2	784	603
Total		7,225	5,737

There are no receivable amounts falling due after more than one year.

14.1 Impairment

Other receivables are stated net of the following impairment:

	2021-22 £000	2020-21 £000
Balance at 1 April	42	37
Increase in impairment during the year	135	5
Decrease in impairment during the year	-	-
Impaired debts recovered during the year	(3)	-
Impaired debts written off during the year	(71)	-
Impairment at 31 March	103	42

As this impairment is a provision, and therefore a non-cash movement, it has been excluded from the movement in other receivables for inclusion within the Statement of Cash Flows.

14.2 Contract assets

Contract assets primarily relate to Taxing Master revenue for which NICTS has met or partially met its performance obligations in relation to the service but the revenue is yet to be collected. This is based on the average fees received over the previous 12 month period.

The movement in the contract assets during the reporting period is as follows:

	2021-22 £000	2020-21 £000
Balance at 1 April	603	673
Movement in year	181	(70)
Balance at 31 March	784	603

15. Trade payables, financial and other liabilities

	Note	2021-22 £000	2020-21 £000
Amounts falling due within one year:			
Bank overdraft	13	460	87
Trade payables		466	247
Other payables		4,137	3,462
Accruals		8,986	9,418
Contract liabilities	15.1	5,304	4,220
Current part of imputed finance lease element of PFI contracts		1,756	1,666
		21,109	19,100
Amounts falling due after more than one year:			
Imputed finance lease element of PFI contracts		7,316	9,072
Total		28,425	28,172

Within Accruals are capital amounts of £2,026k (2020-21: £977k).

15.1 Contract liabilities

Contract liabilities primarily relate to Courts, EJO and PACWAC fees paid in advance, for which NICTS is yet to meet its performance obligations in relation to the service. Due to the volume of contracts with customers that exist, contract liabilities are calculated based on estimates of time taken to dispose of cases and the average duration of enforcement activities.

The movement in the contract liabilities during the reporting period is as follows:

	2021-22 £000	2020-21 £000
Balance at 1 April	4,220	5,695
Movement in year	1,084	(1,475)
Balance at 31 March	5,304	4,220

It is assumed that the full opening balance of contract liabilities has been recognised as income throughout the 2021-22 reporting year, as the majority of deferral periods used are less than 12 months.

16. Provisions for liabilities and charges

	2021-22				
	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Total £000
Balance at 1 April 2021	3,821	1,800	250	661	6,532
Provided in the year	159	-	107	762	1,028
Provisions not required written back	(20)	(1,100)	-	(231)	(1,351)
Provisions utilised in the year	88	-	-	(317)	(229)
Provisions settled from NICF	(277)	-	-	-	(277)
Borrowing costs	6	-	-	-	6
Actuarial loss	669	-	-	-	669
Balance at 31 March 2022	4,446	700	357	875	6,378

	2020-21				
	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Total £000
Balance at 1 April 2020	4,002	1,500	187	766	6,455
Provided in the year	159	300	63	178	700
Provisions not required written back	-	-	-	(145)	(145)
Provisions utilised in the year	(185)	-	-	(138)	(323)
Provisions settled from NICF	(131)	-	-	-	(131)
Borrowing costs	23	-	-	-	23
Actuarial gain	(47)	-	-	-	(47)
Balance at 31 March 2021	3,821	1,800	250	661	6,532

16.1 Analysis of expected timing of discounted flows

	2021-22				
	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Total £000
Due within one year	660	104	-	875	1,639
Due later than one year and not later than five years	2,642	414	357	-	3,413
Due later than five years	1,144	182	-	-	1,326
Balance at 31 March 2022	4,446	700	357	875	6,378

	2020-21				
	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Total £000
Due within one year	493	-	-	661	1,154
Due later than one year and not later than five years	1,960	1,800	250	-	4,010
Due later than five years	1,368	-	-	-	1,368
Balance at 31 March 2021	3,821	1,800	250	661	6,532

16. Provisions for liabilities and charges (continued)

16.2 Litigation claims - £6,378k (2020-21: £6,532k)

(i) *Judicial Service Awards (JSA) - £4,446k (2020-21: £3,821k)*

Provision has been made for a JSA entitlement for salaried and eligible fee paid judicial office holders who are members of a JPS. The JSA was created to equalise the tax position of judicial pensions affected by the provisions of the *Finance Act 2004*. Following a ruling by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, the Fee Paid Judicial Pensions Scheme was introduced on 1 April 2017.

The provision has been estimated by GAD and takes into account the number of reckonable years served and an estimate of the projected final salaries of existing members. The result has then been discounted to present value using the rates set by Her Majesty's Treasury (HMT). The net service award that members receive is the same as the tax paid on the lump sum and is itself an employee benefit that is subject to income tax and national insurance. The liability for the service award is grossed-up for the income tax (at an assumed marginal rate) and additional employer's national insurance is then payable by NICTS on the service awards.

JSA benefits ceased to accrue on 1 April 2022 as a result of the introduction of the Reformed Judicial Pension Scheme. JSAs accrued before that date remain the liabilities of the relevant departments and where members continue in active service remain linked to salaries or fee-rates at retirement.

The provision includes estimated amounts due to Judiciary funded by both NICTS and the Consolidated Fund.

(ii) *Judicial Litigation (McCloud) - £700k (2020-21: £1,800k)*

In January 2017, an Employment Tribunal ruled that a group of judges had been subject to age discrimination when they were transferred to the new career average Judicial Pension Schemes (JPS 2015 and NIJPS) in April 2015. MoJ subsequently appealed this ruling, but this was rejected, with the Court of Appeal upholding the ruling that the protections afforded to a Judge up to 14 years from normal pension age were unlawful. A written ministerial statement made by the Chief Secretary to the Treasury on 15 July 2019 set out the government's intention to remedy this discrimination across all public sector pension schemes. Consultation documents issued by HMT, MoJ and DoJ proposed that changes should apply to all members who were in service on 31 March 2012 and 31 March 2015.

Last year GAD estimated a provision of £1,800k as at 31 March 2021 for additional JSAs that might be payable as a result of the McCloud ruling members who were in active service on 31 March 2012 and 31 March 2015. MoJ published their response to the consultation in February 2021, and DoJ published their response to the consultation in March 2021. In particular, they proposed that the McCloud remedy will be achieved through an options exercise, likely to take place in 2023, which offers members who were in service on 31 March 2012 and 31 March 2015 a choice whether to have retrospectively accrued benefits in either the relevant pre-2015 scheme or JPS from 1 April 2015. GAD expect that all or almost all members will elect to return to the relevant pre-2015 scheme and previous calculations are consistent with this approach.

16. Provisions for liabilities and charges (continued)

GAD estimate the provision in respect of additional JSAs that might be payable to members who were in service on 31 March 2012 and 31 March 2015 as a result of the McCloud ruling to be £700k as at 31 March 2022 (2020-21 £1,800k). The decrease from £1.8m as at 31 March 2021 arises due to the updated membership data used to measure eligibility for the McCloud remedy, offset slightly by an additional year of remedy to 31 March 2022.

(iii) Auto-Enrolment - £357k (2020-21: £250k)

A District Judge brought a claim to the UK Employment Tribunal in relation to mistreatment, having acted as a 'whistle blower.' The significant point was whether, as a judicial office holder, she was a 'worker' under the *Employment Rights Act, 1996*. It would then follow that judicial office holders were entitled to a workplace pension under the *Pensions Act 2008*.

NICTS has a number of both legal and non-legal devolved officers who may be impacted by this case. MoJ has accepted that eligible Tribunal Members are entitled to a workplace pension under auto-enrolment. DoJ are currently assessing the impact of recent legal advice as to the position in Northern Ireland regarding auto-enrolment. DoJ are developing a plan and timetable to manage the assessment and enrolment of eligible officers and have recognised a provision to meet the estimated potential backdated costs. The provision has been calculated on the basis of backdated employee and employer contributions payable and NICTS has assumed a 100% opt-in for the purposes of calculating an estimated provision.

(iv) Legal claims - £875k (2020-21: £661k)

This represents public liability, employer liability, contract and compensation claims as advised by the business areas within NICTS. It also includes judicial reviews.

Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by NICTS and relate to accidents or injury caused due to faults in the fabric of a NICTS building and other damages including fair employment and industrial tribunal cases.

These are legal claims against NICTS by third parties, prisoners and staff. The estimations are based on any potential damages or compensation that may be due. No reimbursement will be received in respect of any of these claims. The timing of the settlement of claims depends on the circumstances of each case.

Legal claims which may succeed but are less likely to do so, or cannot be estimated reliably, are disclosed as contingent liabilities in Note 20.

Other legal issues

The Court of Appeal (CoA) judgment from 17 June 2019 (*PSNI v Agnew*) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for June 2021 but this has subsequently been adjourned and re-listed for December 2022. The 2021-22 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- the appeal to the Supreme Court (as detailed above);
- lack of accessible data for years previous to 2011;
- ongoing negotiations with Trade Unions; and
- obtaining relevant approvals.

17. Commitments under leases

17.1 Finance leases

NICTS has no obligations under finance leases other than the PFI commitments contained in Note 18.

17.2 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise:

	2021-22	2020-21
	£000	Restated £000
Buildings		
Not later than one year	14	120
Later than one year and not later than five years	-	89
Later than five years	-	-
	14	209

18. Commitments under PFI contracts

18.1 On-Balance Sheet (SoFP)

The following PFI transactions have been accounted for in accordance with IFRIC 12 *Service Concession Arrangements* as being 'on-balance sheet.'

Laganside Complex

In February 1999, NICTS entered into a PFI agreement with a private sector provider for the provision and maintenance of a high quality court complex in Belfast. In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the SoCNE. The court complex has been accounted for as an asset and included in the Accounts as Property, plant and equipment.

The liabilities to pay for the assets are in substance finance lease obligations and therefore contractual payments comprise two elements - imputed finance lease charges and service charges.

The total amount charged in the SoCNE in respect of the service element of 'on-balance sheet' (SoFP) transactions was £3,127k (2020-21: £2,854k). Total future obligations under 'on-balance sheet' arrangements are given in the table below for each of the following periods:

18. Commitments under PFI contracts (continued)

	2021-22 £000	2020-21 £000
Minimum lease payments:		
Due within one year	2,182	2,182
Due later than one year and not later than five years	8,119	8,728
Due later than five years	-	1,573
	10,301	12,483
Less interest element	(1,229)	(1,745)
Present value of obligations	9,072	10,738
Service elements due in future periods:		
Due within one year	1,496	1,395
Due later than one year and not later than five years	5,914	5,683
Due later than five years	-	1,039
Total service elements due in future periods	7,410	8,117
Total commitments under PFI contracts	16,482	18,855

19. Capital and other commitments**19.1 Capital commitments**

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	2021-22 £000	2020-21 £000
Property, plant and equipment	386	372
Intangible assets	300	24
Total	686	396

19.2 Other financial commitments

NICTS has not entered into non-cancellable contracts (which are not leases or PFI contracts) at 31 March 2022 (2020-21: £Nil).

20. Contingent liabilities

NICTS has the following contingent liabilities where the possibility of the liability crystallising is judged to be possible. Unless otherwise stated, the quantum of the liability can either not be determined with reasonable certainty or to quantify it would jeopardise the outcome of the case.

The settlement dates are unknown in all cases.

20. Contingent liabilities (continued)

(i) Legacy Inquests

The Coroners' Legacy Inquest Project commenced in 2019-20 (Year 0). In November 2019 the then Presiding Coroner announced the ten cases to be heard in Year 1 (2020-21) of the five year plan for legacy inquests. To date, two of these cases have been completed and findings delivered, three have been completed and findings are awaited, and one case was adjourned on foot of a referral to the PPS, but has now been relisted for April 2022. The four remaining Year 1 cases, eight Year 2 cases announced in June 2021 and ten Year 3 cases announced in March 2022 are being actively managed to hearing in 2022-23 and 2023-24. The remaining cases relate to Year 4 and Year 5 of the five year plan and one further addition will be subject to review by the Presiding Coroner in due course.

(ii) Fine Default Litigation

NICTS Operational Policy Branch Fine Default Claims Team has processed a total of 930 claims, relating to the previous Divisional Court decision in 2013 that the enforcement of unpaid fines and other monetary penalties in Northern Ireland was unlawful. From this, 59 offers of settlement have been issued. The majority of claims were rejected as they fell outside the one year limitation period pursuant to section 7(5) of the Human Rights Act 1998 (HRA). At the time of producing the accounts, a total of 171 writs and civil bills have been issued challenging NICTS's decision to refuse compensation.

The statutory limitation time point was tested in the County Court in May 2018, May 2019, September 2019 and February 2020. All four Civil Bills were struck out with no order to pay costs. The first High Court legal challenge seeking an extension to the one year limitation period was heard in November 2021 with the judgment delivered in January 2022. Although the Court dismissed the plaintiff's common law claim (Tort), it exercised discretion and extended the limitation time limit beyond 12 months to allow the Plaintiffs HRA claim. The Court was satisfied there was a breach of Articles 5 and 6 and made an award of £5,000 to the Plaintiff for each period of imprisonment. A number of ongoing County Court cases have been adjourned pending the outcome of this High Court case.

NICTS is currently considering how best to deal with the remaining Writs and Civil Bills. With significant potential damages and legal fees, it would not be justifiable to defend all cases and therefore it might be prudent to create a payment scheme to settle cases with similar characteristics, with a view to avoiding the cost of fighting potentially unwinnable cases. However, legal advice suggests that the justification to create such a scheme does not yet exist. Essentially, sufficient knowledge is not currently available to develop an appropriate scheme because the parameters of that scheme are not known and would require further direction from the Court. While the Court extended time in the recent case, another Court hearing a different case may reach a different conclusion as the circumstances of each claim vary. It is likely that NICTS will contest at least one case in the coming year in order to get greater clarity from the Court on the extent of the limitation period it may consider as equitable.

Due to the significant amount of unknowns at present and the requirement for further work to be carried out in the upcoming financial year we are unable to put a value to the potential financial impact of the Magennis judgment.

20. Contingent liabilities (continued)

(iii) Probate Fee

During the year NICTS discovered an issue in relation to the statutory authority to charge a fee for a certified or sealed copy of a grant within the non-contentious probate business area.

Remedial action was taken to revert to a copy fee of £6 which was covered by the fees legislation. It remains the case however that a number of customers have been inadvertently overcharged, each by a modest amount, over the past number of years.

NICTS will continue to explore the options available to address this matter and discussions are ongoing with DoF on the setting up of a potential redress scheme. Due to the significant unknowns at present and the likelihood that few would seek redress for such a modest amount we are unable to put a value to the financial impact.

(iv) Litigation claims

- Supplier contracts, employment, personnel and legal cases outstanding against NICTS

There are contingent liabilities relating to ongoing legal claims upon which it is not possible to put a value.

21. Related party transactions

NICTS is an Executive Agency of DoJ. DoJ is regarded as a related party.

During the year NICTS had a number of material transactions with DoJ and with another entity for which DoJ is regarded as the parent Department, namely PSNI.

In addition, NICTS has had various material transactions with other Government departments and other central government bodies, namely DoF, DfC, TEO, CSO and PPS.

For financial reporting purposes, these entities are regarded as related parties.

No Board member, key manager or other related parties have undertaken any material transactions with NICTS during the year.

22. Third party assets

NICTS holds as custodian or trustee monies belonging to third parties, over and above those monies disclosed in Note 13 Cash and cash equivalents.

22.1 Third party monetary assets

NICTS continues to provide a banking and investment service, through CFO, for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

CFO prepares separate annual reports and accounts that are audited by the Comptroller and Auditor General.

There are third party bank accounts maintained by the various court offices and OSO. These are not NICTS assets and are not included in the accounts. The assets held at the reporting date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. Further details are set out in the following table.

	31 March 2021 £000	Gross Inflows £000	Gross Outflows £000	31 March 2022 £000
Monetary assets such as bank balances and monies on deposit	97,364	127,860	(121,931)	103,293
Listed securities	221,453	65,505	(47,427)	239,531
Total	318,817	193,365	(169,358)	342,824

22.2 Third party inventory assets

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property assets. Title deeds for property may also be held by NICTS as security for bails in relation to legal actions.

EJO provides a centralised enforcement service for civil court judgments. A number of cases result in property repossessions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

	2021-22 Number	2020-21 Number
Property assets	1,036	746

23. Entities within the Agency boundary

The accounting boundary incorporates only the core Agency.

PACWAC is an Independent Tribunal Non-Departmental Public Body. In line with DAO 05/13, it is within the accounting boundary and subsequently accounted for within NICTS.

The funds invested by CFO are specifically excluded from the accounting boundary, following HM Treasury guidance. CFO publishes separate audited financial statements.

Income collected by NICTS as an agent for NICF is excluded. This income is disclosed in the NICTS Trust Statement. The NICTS Trust Statement is audited and published separately from these financial statements.

Third party monies are also excluded from these financial statements.

24. Criminal Injuries Compensation Appeals Panel for Northern Ireland

The administrative functions of Criminal Injuries Compensation Appeals Panel for Northern Ireland (CICAPNI) transferred from the Secretary of State for Northern Ireland (SoSNI) to the Secretary of State for Justice (SoSJ) in the 2007-08 financial year and were delivered by a Machinery of Government letter on 1 December 2007.

The administrative functions of CICAPNI transferred from the SoSJ to DoJ following the devolution of policing and justice in Northern Ireland on 12 April 2010.

DoJ has directed a statement of account in accordance with the 2002 Order and the Scheme only requires a simple statement providing the full cost of CICAPNI for the year, given as a note in the NICTS accounts.

This direction is in accordance with The Criminal Injuries (NI) Order 2002 (“the 2002 Order”) and with the Northern Ireland Criminal Injuries Compensation Scheme 2002 (“the Scheme”) which establish CICAPNI. Both the 2002 Order and the Scheme provide that DoJ may direct the form of the accounts of CICAPNI.

This accounting note has been prepared in accordance with the accounts direction issued by DoJ.

CICAPNI Statement of Account

	2021-22		2020-21	
	£	£	£	£
Income		-		-
Expenditure				
Staff payroll costs	192,695		213,845	
Judicial payroll costs	177,365		91,298	
		370,060		305,143
Other operating costs		4,482		9,482
Net cost of operations		374,542		314,625

25. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the C&AG to the Assembly.

The new reformed pension scheme known as JPS 2022 came into effect on 1 April 2022, replacing all pre-2022 judicial pension schemes, following the Public Service Pensions and Judicial Offices Act which received Royal Assent on 10 March 2022.

A full actuarial valuation is undertaken every four years and its purpose is to assess the pension liability in respect of the benefits due, and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the JPS was completed as at 31 March 2016. Work on the 2020 valuation is currently on-going and GAD is due to provide its report in 2023-24.

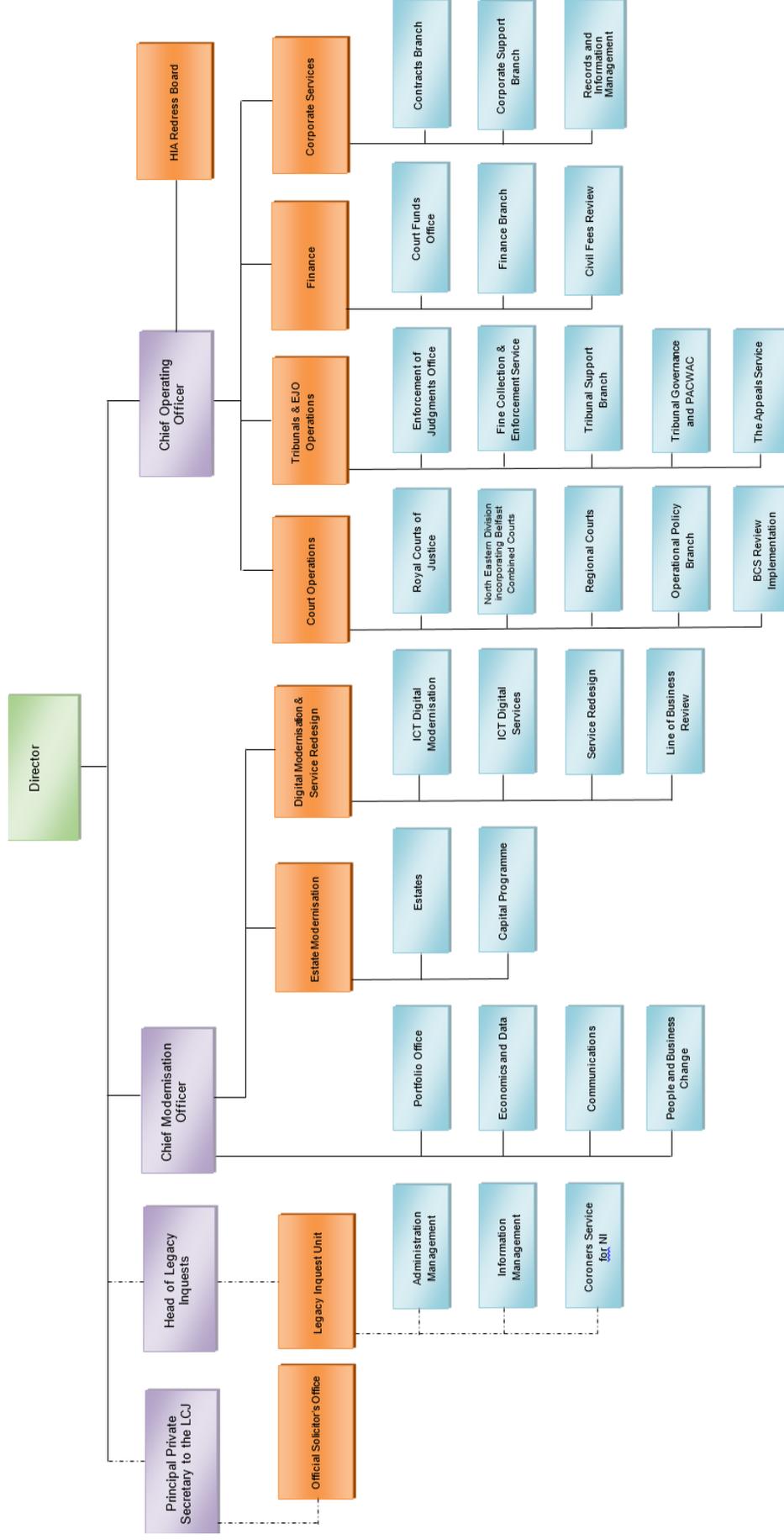
There were no other events between the end of the reporting period and the date the financial statements were authorised that would significantly affect these accounts.

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 30 June 2022.

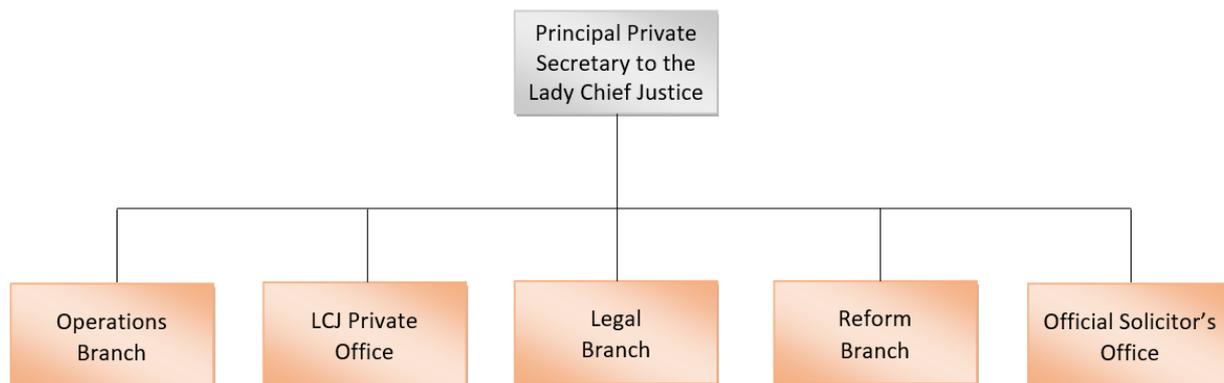
PART 4 - APPENDICES

Annex A - Northern Ireland Courts and Tribunals Service Organisational Chart 2021-22



Annex B - Lady Chief Justice's Office Structure 2021-22

Lady Chief Justice's Office



Annex C - Staffing

At the end of March 2022, the number of staff employed by NICTS was 883. A breakdown is provided below.

Staff by Operating Segment	Headcount
Director NICTS	1
Court Operations Division	591
Tribunals and Enforcement Division	169
Lady Chief Justice's Office	34
Modernisation Programme	17
Corporate Services	55
Staff Engaged on Capital Projects	16
Total	883

Staff by Grade	Headcount
Administrative Assistant	2
Administrative Officer	384
Executive Officer II	92
Executive Officer I	202
Staff Officer	68
Deputy Principal	57
Principal Officer	61
Grade 6	13
Grade 5	3
Director NICTS	1
Total	883

Annex D - Court and Tribunal Performance Standards 2021-22

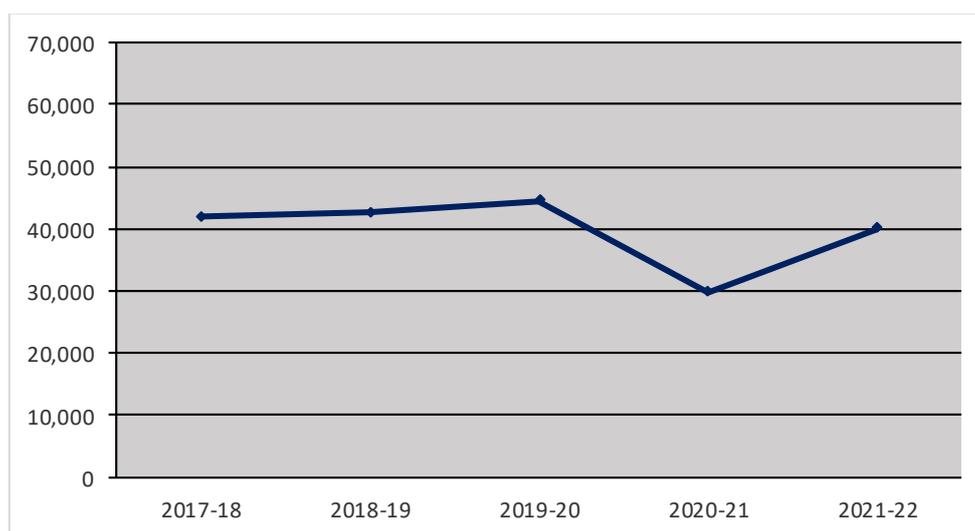
Criminal Business

To facilitate the efficient disposal of criminal business:¹

Performance Standard	2021-22 % Target	2021-22 % Achieved
Crown Court defendants will be arraigned within six weeks of committal	80%	86%
Crown Court defendants will start their trial within 18 weeks of committal	80%	72%
Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt	80%	61%
Magistrates' Courts adult defendants will have their case disposed of within nine weeks of first listing	80%	72%
Youth Court defendants will have a finding reached within 12 weeks from first listing	80%	68%
Appeals against a sentence will be listed within four weeks of leave being granted to appeal to the Court of Appeal	90%	89%

The chart below shows the levels of criminal business received over the past five years.

Figure 1: Criminal Business Received



¹ These Standards, with the exception of the Court of Appeal, Causeway and Court Order Standards, are set by the Lady Chief Justice.

Criminal Court Business – Volumes, Disposals and Performance

Business Volumes received	2021-22	2020-21	% difference
Total Criminal Business	39,974	29,778	34%
Crown Court cases	1,621	1,167	39%
Magistrates' adult defendants	37,429	27,710	35%
Magistrates' youth defendants	924	901	3%
Business Volumes disposed			
Total Criminal Business	38,754	28,394	36%
Crown Court cases	1,368	916	49%
Magistrates' adult defendants	36,375	26,610	37%
Magistrates' youth defendants	1,011	868	16%
Sittings			
Total Criminal Sittings	6,058	4,484	35%
Crown Court	2,692	1,406	91%
Magistrates' adult defendants	3,106	2,841	9%
Magistrates' youth defendants	260	237	10%
Performance against a target of 80% compliance			
Crown Court	72%	78%	-6%
Magistrates' adult defendants	72%	60%	12%
Magistrates' youth defendants	68%	65%	3%

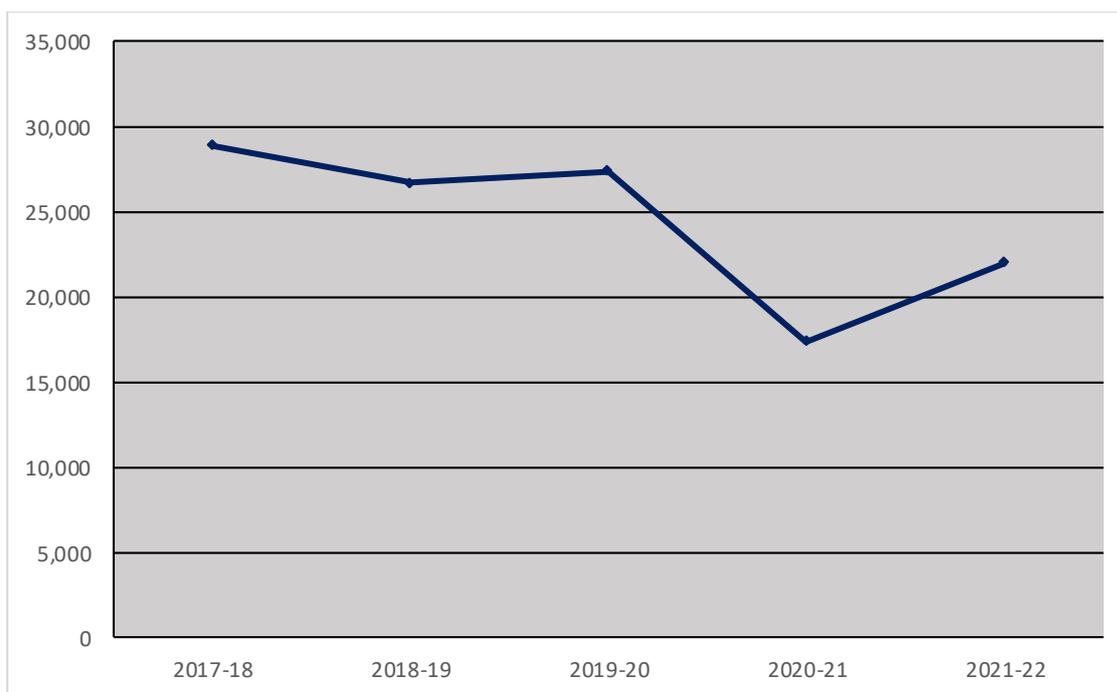
Civil Business

To facilitate the efficient disposal of civil business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Civil bills will be allocated a hearing date within 15 weeks of receipt of the certificate of readiness	95%	85%
Claims for Clinical Negligence will be listed for review before the Master within 13 months of receipt of the writ (applicable to writs lodged since 2011);	98%	98%
Claims for Personal Injury will be listed for review within three months of setting down	98%	97%
Petitions for bankruptcy (presented by creditors) will be listed for hearing within six weeks	97%	0%
Petitions for bankruptcy (presented by debtors) will be listed for hearing within three weeks	90%	87%
Applications for Grant of Probate/Letters of Administration will be issued within seven days of receipt of correct information	85%	34%

The chart below shows the levels of civil business received over the past five years.

Figure 2: Civil Business Received



Civil Court Business – Volumes, Disposals and Performance

Business Volumes received	2021-22	2020-21	% difference
Total Civil business	21,948	17,325	27%
Civil Bills (Notice of Intentions to Defend)	6,603	6,156	7%
Small Claims	6,490	3,950	64%
Writs set down	769	577	33%
Mortgages received	665	35	1800%
Bankruptcies received	204	241	-15%
Probate grants received	7,217	6,366	13%
Business Volumes disposed			
Total Civil business	25,117	16,222	55%
Ordinary Civil Bills	8,800	5,750	53%
Small Claims	5,598	3,456	62%
Writs disposed	1,701	1,319	29%
Mortgages disposed	371	36	931%
Bankruptcies disposed	397	294	35%
Probate grants issued	8,250	5,367	54%
Sittings			
Total Civil sittings	3,392	2,366	43%
County Court	2,815	1,843	53%
Queen's Bench	349	290	20%
Chancery	228	233	-2%
Performance against a target of compliance			
Civil Bills listed for hearing (95%)	85%	79%	6%
Petitions for bankruptcy (presented by creditors)	0%	100%	-100%

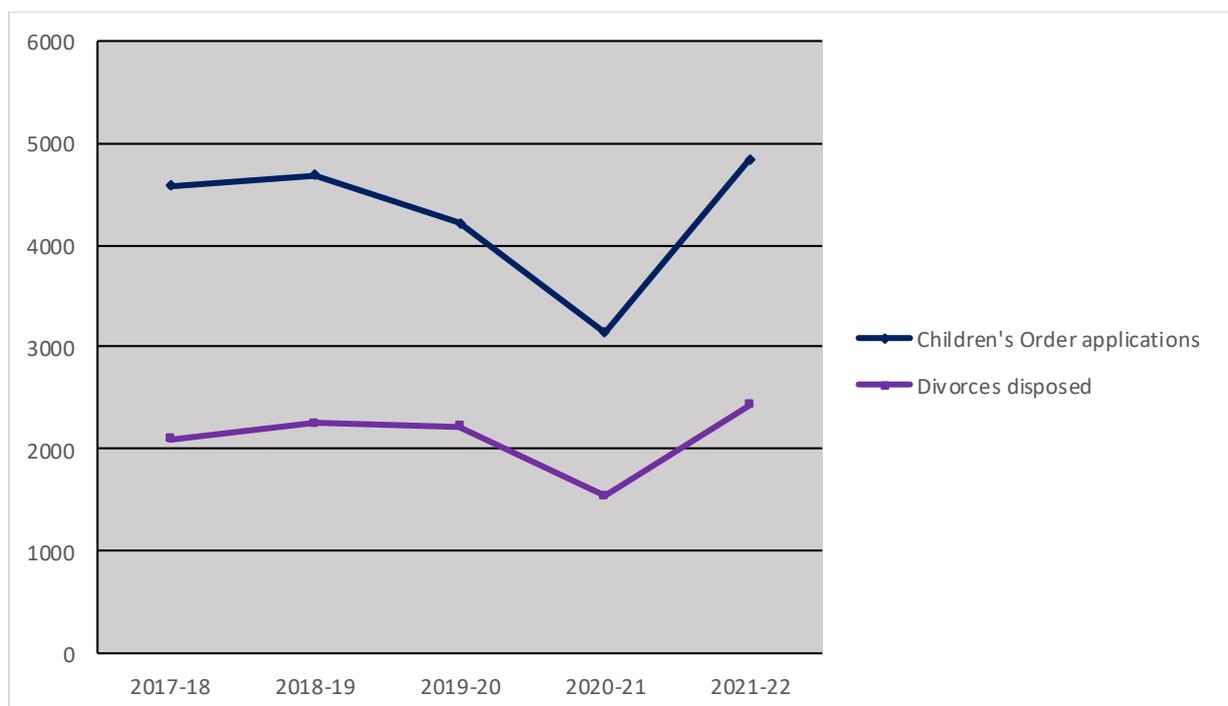
Family Court Business

To facilitate the efficient disposal of family business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Children Order applications will be listed for first directions within six weeks of receipt of correct information	92%	91%
Annual accounts filed by Controllers on behalf of patients will be reviewed by the Office of Care and Protection within eight weeks of receipt	95%	29%
Accounts held in court on behalf of patients will be reviewed by the Office of Care and Protection within 12 weeks of the annual review date	95%	23%
Applications for Enduring Power of Attorney (where no objection has been lodged) will be registered within 40 days of receipt of all required information	95%	96%
Undefended divorces and dissolution of civil partnerships will be listed for hearing within six weeks of date of receipt and, in the High Court, confirmation of readiness	97%	81%

The chart below shows the levels of family business disposed over the past five years.

Figure 3: Family Court Business Disposed



Family Court Business – Volumes, Disposals and Performance

Business Volumes received	2021-22	2020-21	% difference
Total Family Court Business	9,903	8,862	12%
Children Order applications	4,698	4,488	5%
Divorces received	2,488	2,297	8%
Enduring Power of Attorney applications received	1,745	1,134	54%
Controllership applications received	972	943	3%
Business Volumes disposed			
Total Family Court Business	9,537	6,611	44%
Children Order applications	4,844	3,141	54%
Divorces disposed	2,431	1,544	57%
Enduring Power of Attorney registered	1,290	983	31%
Controllership orders issued	972	943	3%
Sittings			
Children Order	2,121	1,937	9%
Performance against a target of 92% compliance			
Children Order	91%	86%	5%

Coroners Service Business

To facilitate the efficient disposal of Coroners Service business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
All deaths investigated that do not require a post-mortem examination will have the certificate of registration issued to the Registrar of Deaths within three working days of the relevant documentation being received by the Coroner	97%	99%
All deaths where a post-mortem examination reveals a natural cause of death will have the certificate of registration issued to the Registrar of Deaths within five working days of the Coroner making the decision to close the case following receipt of the post-mortem report	95%	98%
Inquests the administrative listing arrangements will be completed within 28 days of the Coroner's direction to list	95%	99%

Coroners Service Business – Volumes and Performance

Business Volumes	2021-22	2020-21	% difference
Deaths reported	3,529	3,342	6%
Post mortems with no inquest	1,009	1,264	-20%
Inquests held	70	16	338%
No post mortem and no inquest	1,156	1,121	3%
Other disposals of registered entries	1,021	990	3%
Performance			
Certificate of registration for deaths not requiring a post-mortem	99%	99%	-
Certificate of registration for deaths requiring a post-mortem	98%	96%	2%

Court Funds Office (CFO)

To facilitate the efficient disposal of Court Funds Office business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Dividend receipts will be posted within seven working days of the Registrar's payment date	90%	99%
Direct credits will be posted within two working days of receipt in the bank account	95%	100%
Other receipts (cheques, cash or money orders) will be posted on the day of receipt	95%	100%
Regular payments will be made on or before the due date	95%	100%
Payments will be made within five working days of receiving the relevant paperwork in respect of payments made: <ul style="list-style-type: none"> - to minors reaching 18 years old; - on foot of a court order or invoice; or - on receipt of a Notice of Acceptance 	95%	100%
Investment sale and purchase transactions will be completed within five working days of the relevant trade	98%	100%
Confirmations that funds have been received by Court Funds Office will be issued within five working days of receipt of the funds in full in respect of minor cases	95%	100%

Enforcement of Judgments Office Business

To facilitate the efficient disposal of EJO business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Enforcement Applications accepted within ten working days	90%	95%
Repossessions completed within 26 weeks of acceptance	85%	90%
For all applications accepted, an instruction will be issued to make arrangement to be interviewed or summons produced in 90% of debt cases within four weeks	90%	100%

Enforcement of Judgments Business – Volumes and Performance

Business Volumes	2021-22	2020-21	% difference
Total money recovered by the Enforcement process	£5.26m	£5.23m	1%
Notices of Intent to Enforce a Judgment	2,799	2,026	38%
Applications to Enforce a Judgment	1,737	1,074	62%
Applications for Repossession	119	47	153%
Repossessions	140	16	775%
Performance against a target of compliance			
Accept Enforcement Applications	95%	84%	11%
Issue summons for interview	100%	95%	5%
Complete Repossessions	90%	36%	54%

Taxation Office Business

To facilitate the efficient disposal of Taxation Office business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Produce Taxation Assessments within 15 working days	95%	100%

Taxation Office Business – Volumes and Performance

Business Volumes	2021-22	2020-21	% difference
Taxing Applications Lodged	1,256	1,075	17%
Taxing Assessments Completed	1,171	1,055	11%
Performance against a target of compliance			
Issue Taxation Assessments	100%	97%	3%

Parole Commissioners' Secretariat

To facilitate the efficient delivery of support to Parole Commissioners:

Performance Standard	2021-22 % Target	2021-22 % Achieved
Cases will be scheduled within five working days of receipt from the DoJ	95%	100%
All decisions will be issued within five working days of receipt from a Commissioner	95%	100%

Parole Commissioners' Secretariat – Volumes and Performance

Business Volumes	2021-22	2020-21	% difference
Lifers referrals received	118	92	28%
Indeterminate/ Extended Custodial Sentence referrals received	143	155	-8%
Determinate Custodial Sentence referrals received	378	367	3%
Performance against a target of compliance			
Schedule cases	99%	99%	-
Issue decisions	100%	100%	-

Tribunals

To facilitate the efficient disposal of Tribunals business:

Performance Standard	2021-22 % Target	2021-22 % Achieved
All Tribunal hearing dates will be offered within the specified number of weeks	90%	90%
MHRT appeals will be disposed of within eight weeks of receipt	80%	90%
Cases regarding Deprivation of Liberty within the provision of the Mental Capacity Act 2016 will be disposed of within 10 weeks	80%	63%

Tribunal Business – Volumes and Performance

Business Volumes Received	2021-22	2020-21	% difference
Total Tribunal Business	7,702	6,798	13%
Care Tribunal	3	4	-25%
Charity Tribunal	1	4	-75%
Criminal Injuries Compensation Appeals Panel	201	263	-24%
The Health and Personal Social Services Disqualification Tribunal	N/A	N/A	N/A
Health and Safety Tribunal	-	-	-
Lands Tribunal	178	162	10%
Mental Health Review Tribunal	273	268	2%
Mental Health Review Tribunal – Mental Capacity Act (NI) Act 2016	1,966	1,288	53%
Northern Ireland Traffic Penalty Tribunal	159	314	-49%
Northern Ireland Valuation Tribunal	22	26	-15%
Office of the Social Security and Child Support Commissioner	108	130	-17%
Pensions Appeal Tribunal	110	79	39%
Rent Assessment Panel	1	3	-67%
Special Educational Needs and Disability Tribunal	315	255	24%
The Appeal Tribunals	4,365	4,002	9%

Tribunal Business – Volumes and Performance (continued)

Business Volumes Disposed	2021-22	2020-21	% difference
Total Tribunal Business	9,682	4,773	103%
Care Tribunal	7	5	40%
Charity Tribunal	8	5	60%
Criminal Injuries Compensation Appeals Panel	339	134	153%
The Health and Personal Social Services Disqualification Tribunal	N/A	N/A	N/A
Health and Safety Tribunal	1	-	N/A
Lands Tribunal	197	129	53%
Mental Health Review Tribunal	269	271	-1%
Mental Health Review Tribunal – Mental Capacity Act (NI) Act 2016	2,037	836	144%
Northern Ireland Traffic Penalty Tribunal	265	306	-13%
Northern Ireland Valuation Tribunal	33	30	10%
Office of the Social Security and Child Support Commissioner	138	182	-24%
Pensions Appeal Tribunal	90	133	-32%
Rent Assessment Panel	-	2	-100%
Special Educational Needs and Disability Tribunal	330	280	18%
The Appeal Tribunals	5,968	2,460	143%

Appendix 1

Administrative Court Divisions

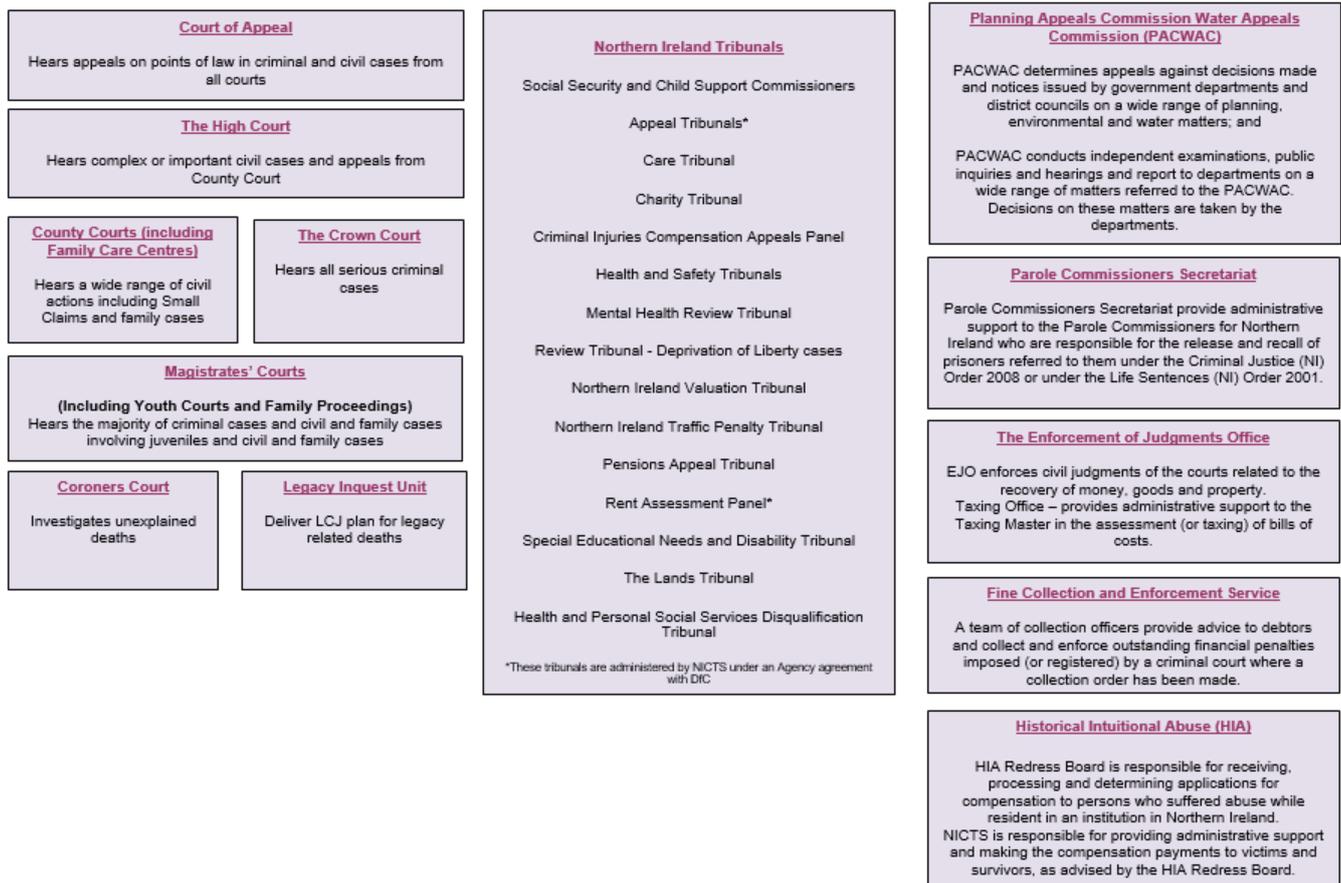


Administrative Court Division	Court venues within the Administrative Court Division	Local Government District
North Eastern	<ul style="list-style-type: none"> Antrim Ballymena Coleraine Limavady Laganside Courts 	<ul style="list-style-type: none"> Antrim and Newtownabbey *Belfast Causeway Coast and Glens Mid and East Antrim
South Eastern	<ul style="list-style-type: none"> Armagh Craigavon Downpatrick Newry Newtownards Lisburn 	<ul style="list-style-type: none"> Armagh, Banbridge and Craigavon Newry, Mourne and Down North Down and Ards Lisburn and Castlereagh *Belfast
Western	<ul style="list-style-type: none"> Dungannon Enniskillen Londonderry Omagh Strabane Magherafelt 	<ul style="list-style-type: none"> Derry and Strabane Fermanagh and Omagh Mid Ulster

*The Belfast Local Government District Wards of Ladybrook, Dunmurry, Lagmore, Poleglass and Twinbrook are within South Eastern ACD.

Appendix 2

Northern Ireland Courts and Tribunals Structure



Appendix 3

Judicial Complement in Northern Ireland

Judicial complement of salaried and fee paid judicial officers in Northern Ireland as at 31 March:

	2022	2021
Lady/Lord Chief Justice	1	1
Lord Justices of Appeal	3	3
High Court Judges	11	10
County Court Judges	20	18
District Judges (Magistrates' Courts)	21	21
District Judges	4	4
High Court Masters	7	7
Social Security and Child Support Commissioners	2	2
Coroners	4*	5*
Lands Tribunal member	1	1
Appeal Tribunals members	2	2
Total	76	74
Lay Magistrates	109	114
Fee Paid Tribunal members	384	375
Deputy and Fee Paid Judicial Officers	56	60
Parole Commissioners	38	45
PACWAC Commissioners	17	17.5

* In addition, there are 17 salaried judges who hold the role of Coroner concurrently with their other judicial post

Appendix 4

Acronyms

Acronym	Details
ACD	Administrative Court Division
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AMP	Asset Management Plan
AMS	Asset Management Strategy
ARAC	Audit and Risk Assurance Committee
ASG	Analytical Support Group
BCS	Business Consultancy Services
BEMS	Building Energy Management Systems
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CETV	Cash Equivalent Transfer Value
CFO	Court Funds Office
CICAPNI	Criminal Injuries Compensation Appeals Panel for Northern Ireland
CLEAR	Online Applications, Coroners' Case Management System
COO SMT	Chief Operating Officer's Senior Management Team
CPD	Construction and Procurement Delivery
CPE	Contingency Planning Envelope
CPI	Consumer Prices Index
CRC	Carbon Reduction Commitment
CSNI	Coroners' Service for Northern Ireland
CSO	Crown Solicitors' Office
CSP	Civil Service Pensions
CSR	Corporate Social Responsibility
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO	Dear Accounting Officer
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
DPO	Data Protection Officer
DRC	Depreciated Replacement Cost
DSO	Departmental Solicitor's Office
EEl	Employee Engagement Index
EJO	Enforcement of Judgments Office
ERT	Emergency Response Team
EU	European Union
FCS	Fine Collection and Enforcement Service
FPJPS	Fee Paid Judicial Pension Scheme
FRem	Financial Reporting Manual
FSNI	Forensic Science Northern Ireland
FYE	Full Year Equivalent
GAD	Government Actuary's Department
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation

Acronym	Details
GIS	Guaranteed Interview Scheme
HIA	Historical Institutional Abuse
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HSENI	Health and Safety Executive for Northern Ireland
IAO	Information Asset Owner
IASB	International Accounting Standards Board
ICC	International Conference Centre
ICO	Information Commissioner's Office
ICOS	Integrated Court Operations System
ICP	Indictable Cases Process
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IIP	Investors in People
IROC	Information Risk Owners' Council
IS	Information Security
JASPAR	Judicial Allocations and Sittings Programme And Records
JEMS	Enforcement of Judgments Office System
JPS	Judicial Pension Scheme
JSA	Judicial Service Awards
JUPRA	Judicial Pensions and Retirement Act
LAMS	Legal Aid Management System
LCJO	Lady Chief Justice's Office
LCM	Legislative Consent Motion
LIU	Legacy Inquest Unit
LOB	Line of Business
LPS	Land and Property Services
LSANI	Legal Services Agency Northern Ireland
MHRT	Mental Health Review Tribunal
MoJ	Ministry of Justice
MPMNI	Managing Public Money Northern Ireland
NDPB	Non-Departmental Public Body
NEMs	Non-Executive Members
NIAO	Northern Ireland Audit Office
NICF	Northern Ireland Consolidated Fund
NICS	Northern Ireland Civil Service
NICSHR	Northern Ireland Civil Service Human Resources
NICTS	Northern Ireland Courts and Tribunals Service
NIJAC	Northern Ireland Judicial Appointments Commission
NIJPS	Northern Ireland Judicial Pension Scheme
NIPS	Northern Ireland Prison Service
NISRA	Northern Ireland Statistics and Research Agency
NSPCC	National Society for the Prevention of Cruelty to Children
OBC	Outline Business Case
OCP	Office of Care and Protection
ODP	Outcomes Delivery Plan
ONS	Office for National Statistics
OSO	Official Solicitor's Office
PAC	Public Accounts Committee
PACWAC	Planning Appeals Commission and Water Appeals Commission

Acronym	Details
PCNI	Parole Commissioners for Northern Ireland
PCSPS	Principal Civil Service Pension Scheme
PES	Public Expenditure System
PfG	Programme for Government
PFI	Public Finance Initiatives
PHA	Public Health Agency
PPC	Prisoners' Private Cash
PPP	Public Private Partnership
PPS	Public Prosecution Service
PRONI	Public Record Office of Northern Ireland
PSNI	Police Service of Northern Ireland
RCJ	Royal Courts of Justice
REC	Remote Evidence Centre
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RTTCWG	Report To Those Charged With Governance
SCS	Senior Civil Service
SMC	Substance Misuse Court
SOC	Strategic Outline Case
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SPAR	Supporting People At Risk
SPG	Strategic Planning Group
TAS	The Appeals Service
TEO	The Executive Office
TPDP	Troubles Permanent Disablement Payment
TUS	Trade Union Side
UU	Ulster University
VAT	Value Added Tax
VER	Voluntary Early Retirement
VFM	Value for Money
VSNI	Victim Support Northern Ireland
YJA	Youth Justice Agency

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