

SPICe Briefing

Draft Budget 2015-16: Justice

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The Scottish Government's [Draft Budget 2015-16](#) was published on 9 October 2014. This briefing provides information about spending on the Justice and Crown Office & Procurator Fiscal Service portfolios, along with the central government grant to local authorities to pay for criminal justice social work.

The Justice Committee has agreed to focus this year's scrutiny on funding for policing and the courts. Additional budgetary information on these areas is set out, together with background information (eg on policy and other developments which may impact on the level of spending required in these areas). In addition to the figures set out in the Draft Budget 2015-16, the Scottish Government has provided more detailed (level 4) figures. They are available on the [Financial Scrutiny Unit](#) section of the Scottish Parliament website and, in relation to police and courts funding, also referred to in this briefing.

As well as setting out draft budget figures for 2015-16, the Draft Budget 2015-16 includes figures for 2014-15 which reflect changes made via the Budget Act 2014 and the deployment of Barnett consequential flows from UK fiscal events. This was requested by the Finance Committee during last year's scrutiny process. The updated figures for 2014-15 are used in this briefing as a way of assisting in comparisons between what is being spent in an area in the current financial year compared with what is proposed for next year.



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EXECUTIVE SUMMARY

Justice and COPFS Funding

The Draft Budget 2015-16 provides for the following:

- funding within the Justice portfolio is set to increase, in cash terms, from £2,589.2m in 2014-15 to £2,608.4m (+0.7%) in 2015-16. This equates to a real terms reduction of 0.8%
- funding for the Crown Office & Procurator Fiscal Service (COPFS) is set to increase, in cash terms, from £108.7m in 2014-15 to £112.1m (+3.1%) in 2015-16. This equates to a real terms increase of 1.5%
- the ring-fenced grant for criminal justice social work is set to remain the same in cash terms, at £86.5m in both 2014-15 and 2015-16. This equates to a real terms reduction of 1.6%

Police

The Draft Budget 2015-16 provides for the following:

- funding for the Scottish Police Authority is set to decrease, in cash terms, from £1,082.6m in 2014-15 to £1,063.9m (-1.7%) in 2015-16. This equates to a real terms reduction of 3.3%
- funding within the Police Central Government budget line is set to decrease, in cash terms, from £101.3m in 2014-15 to £98.1m (-3.2%) in 2015-16. This equates to a real terms reduction of 4.6%
- funding for Police Pensions is set to increase, in cash terms, from £262.5m in 2014-15 to £278.4m (+6.1%) in 2015-16. This equates to a real terms increase of 4.4%

Courts

The Draft Budget 2015-16 provides for the following:

- funding for the Scottish Court Service is set to increase, in cash terms, from £72.3m in 2014-15 to £87.4m (+20.9%) in 2015-16. This equates to a real terms increase of 18.9%
- funding within the Courts, Judiciary & Scottish Tribunals Service budget line is set to decrease, in cash terms, from £51.6m in 2014-15 to £40.5m (-21.5%) in 2015-16. This equates to a real terms reduction of 22.7%

JUSTICE AND COPFS SPENDING

Cash and Real Terms Figures

Table 1 sets out information derived from the [Draft Budget 2015-16](#) (Scottish Government 2014a) on the following areas of spending: the Justice portfolio; the Crown Office & Procurator Fiscal Service (COPFS) portfolio; and the ring-fenced central government grant to local authorities (forming part of the Local Government budget) to pay for criminal justice social work

Table 1: Justice, COPFS and Criminal Justice Social Work Spending

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Justice	2,589.2	2,608.4
COPFS	108.7	112.1
Criminal Justice Social Work	86.5	86.5
real terms		
Justice	2,589.2	2,567.3
COPFS	108.7	110.3
Criminal Justice Social Work	86.5	85.1

Source: Draft Budget 2015-16 (tables 9.01, 9.02, 14.01 and 14.02)

More detailed (level 2) figures for Justice portfolio spending are set out in tables 2 and 3.

Table 2: Justice Spending in Cash Terms

	2014-15 budget £m	2015-16 draft budget £m
Community Justice Services	32.3	32.3
Courts, Judiciary & Scottish Tribunals Service	51.6	40.5
Criminal Injuries Compensation	17.5	17.5
Legal Aid	143.2	146.8
Scottish Police Authority	1,082.6	1,063.9
Scottish Fire & Rescue Service	310.2	309.2
Police Central Government	101.3	98.1
Safer & Stronger Communities	39.9	40.3
Police & Fire Pensions	324.6	350.6
Scottish Prison Service	382.3	396.2
Miscellaneous	31.4	25.6
Scottish Court Service	72.3	87.4
Total	2,589.2	2,608.4

Source: Draft Budget 2015-16 (table 9.01)

Table 3: Justice Spending in Real Terms

	2014-15 budget £m	2015-16 draft budget £m
Community Justice Services	32.3	31.8
Courts, Judiciary & Scottish Tribunals Service	51.6	39.9
Criminal Injuries Compensation	17.5	17.2
Legal Aid	143.2	144.5
Scottish Police Authority	1,082.6	1,047.1
Scottish Fire & Rescue Service	310.2	304.3
Police Central Government	101.3	96.6
Safer & Stronger Communities	39.9	39.7
Police & Fire Pensions	324.6	345.1
Scottish Prison Service	382.3	390.0
Miscellaneous	31.4	25.2
Scottish Court Service	72.3	86.0
Total	2,589.2	2,567.3

Source: Draft Budget 2015-16 (table 9.02)

All real terms figures in this briefing (ie figures adjusted for the effects of inflation) are expressed in 2014-15 prices. They are calculated using the same HM Treasury deflator of 1.6% for 2015-16 employed in the Draft Budget 2015-16.

Changes in 2015-16 Figures

Some of the cash terms figures for 2015-16, as set out above, differ from the plans for 2015-16 in last year's draft budget document. The reasons for changes to Justice portfolio figures include:

- the movement of funds within the Justice portfolio (eg a £11.1m transfer of funding for the Scottish Tribunals Service to reflect its merger with the Scottish Court Service from April 2015)
- the movement of funds between the Justice portfolio and other portfolios (eg a £7.6m transfer of funding from the Scottish Police Authority to the Health & Wellbeing portfolio to reflect the transfer of custody healthcare and forensic medical services to the NHS)
- changes in funding (eg a £4.7m reduction in Scottish Police Authority funding to reflect agreed funding levels)

The potential impact of such changes will vary depending upon the reason for the change. The movement of funds, either within the Justice portfolio or between portfolios, may not significantly affect actual funding for services if the change reflects a transfer of responsibility for providing a service. This assumes that the movement of funds accurately reflects the cost of providing the service. On the other hand, other changes will reflect planned increases or reductions in funding for actual services.

The total draft budget figure for the Justice portfolio in 2015-16 (£2,608.4m) is £6.9m (0.3%) less than set out in last year's planned figures. The most significant changes to the 2015-16

figures relate to funding for the police and courts. More information on these areas is set out later in this briefing.

Proposed Changes in Justice Spending, 2014-15 to 2015-16

Table 4 sets out percentage changes in proposed justice funding, between 2014-15 and 2015-16, using the figures set out in the above tables.

Table 4: Proposed Changes in Justice Spending, 2015-16 compared with 2014-15

	cash terms %	real terms %
Justice		
Community Justice Services	0.0	-1.5
Courts, Judiciary & Scottish Tribunals Service	-21.5	-22.7
Criminal Injuries Compensation	0.0	-1.7
Legal Aid	+2.5	+0.9
Scottish Police Authority	-1.7	-3.3
Scottish Fire & Rescue Service	-0.3	-1.9
Police Central Government	-3.2	-4.6
Safer & Stronger Communities	+1.0	-0.5
Police & Fire Pensions	+8.0	+6.3
Scottish Prison Service	+3.6	+2.0
Miscellaneous	-18.5	-19.7
Scottish Court Service	+20.9	+18.9
Total	+0.7	-0.8
COPFS	+3.1	+1.5
Criminal Justice Social Work	0.0	-1.6

In relation to some of the larger changes highlighted in Table 4:

- the decrease in the Courts, Judiciary & Scottish Tribunals Service budget line stems from the transfer of funding for the Scottish Tribunals Service to reflect its merger with the Scottish Court Service from April 2015
- the increase in the Scottish Court Service budget line mainly reflects the last point, although without that transfer there would still be a 5.5% (£4.0m) cash terms increase
- the decrease in the Miscellaneous budget line stems from a reduction in Scottish Resilience funding associated with the establishment of the Scottish Fire & Rescue Service. For 2013-14 and 2014-15, money was available within Scottish Resilience funding for projects to facilitate the transition from the eight antecedent services to the new single service. There is no provision for this in relation to 2015-16 funding¹

¹ Advice from Scottish Government officials (October 2014).

POLICE

Spending

The Police and Fire Reform (Scotland) Act 2012 abolished the previously existing eight territorial police forces, the Scottish Police Services Authority and the Scottish Crime & Drug Enforcement Agency. It created the Scottish Police Authority (SPA) and a single Scottish police force, Police Scotland. The new arrangements came fully into effect on 1 April 2013.

Funding also changed under the new arrangements. Prior to April 2013 the eight police forces were funded through a range of different funding streams from local and central government. From April 2013, funding for the single force comes mainly from the Scottish Government via the SPA. In addition, local authorities retain the ability to provide additional funds to supplement policing in their areas and Police Scotland can levy charges when providing some goods and services. This briefing deals only with funding provided by the Scottish Government.

The draft budget for 2015-16 represents the third year of funding under the new arrangements.

Table 5 sets out level 3 budget figures for the SPA. Although the Scottish Government has provided more detailed (level 4) figures for the Justice portfolio, they do not provide any further breakdown for SPA funding.

The SPA passes most of its funding onto Police Scotland, while retaining a proportion to cover its services and running costs. Monies in the SPA capital budget include funding for investment in ICT infrastructure.

Table 5: Scottish Police Authority

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Resource	1,057.4	1,035.8
Capital	25.2	28.1
Total	1,082.6	1,063.9
real terms		
Resource	1,057.4	1,019.5
Capital	25.2	27.7
Total	1,082.6	1,047.1

Source: Draft Budget 2015-16 (table 9.08)

As indicated above, the total budget is set to fall by £18.7m in cash terms.

Part of the above fall (£9.1m) is due to the fact that the draft budget figure for 2015-16 is lower than the planned figure for the year set out in last year's draft budget document. The Draft Budget 2015-16 indicates that this change is the product of both deductions and additions:

- a £7.6m transfer from the SPA to the Health & Wellbeing portfolio to reflect the transfer of custody healthcare and forensic medical services to the NHS
- a £3.2m transfer to the SPA budget from the Police Central Government budget relating to work of the Specialist Crime Division of Police Scotland

- a reduction in previously planned resource (£4.2m) and capital (£0.5m) budgets to reflect agreed funding levels

The impact of the two transfers, from the point of view of pressures on the SPA budget, will depend on whether monies associated with the transfers represent a fair reflection of the costs associated with paying for those services.

Table 6 sets out level 3 and 4 budget figures for Police Central Government. General spending by the police is met through funding for the SPA. Monies in the Police Central Government budget include funding for:

- the Police Investigation & Review Commissioner (PIRC)
- activities aimed at generating efficiencies and savings associated with police reform
- the police Airwave communications system

Table 6: Police Central Government

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Police Support Services	2.8	2.8
National Police Funding & Reform		
operating reform	73.3	60.3
other national police funding	25.2	25.0
capital reform	-	10.0
Total	101.3	98.1
real terms		
Police Support Services	2.8	2.8
National Police Funding & Reform		
operating reform	73.3	59.4
other national police funding	25.2	24.6
capital reform	-	9.8
Total	101.3	96.6

Source: Draft Budget 2015-16 (table 9.10) plus level 4 figures

As indicated above, the total budget is set to fall by £3.2m in cash terms. The Draft Budget 2015-16 (p 84) notes that this sum, relating to the work of the Specialist Crime Division of Police Scotland, has been transferred to the SPA budget.

In relation to the draft budget for 2015-16, information provided by the Scottish Government indicates that:

- police support services – funding covers the depreciation costs for the Scottish Crime Campus at Gartcosh
- operating reform – £10.0m transferred to capital reform (see below)
- other national police funding – includes funding for PIRC and Airwave

- capital reform – £10.0m transferred from operating reform to meet costs of ICT systems²

Table 7 sets out level 3 budget figures for Police Pensions.

Table 7: Police Pensions

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Total	262.5	278.4
real terms		
Total	262.5	274.0

Source: Draft Budget 2015-16 (table 9.12)

The Scottish Government directly funds pensions for retired police officers. The Draft Budget 2015-16 notes that:

“In 2015-16 we will meet our obligations to provide for these pensions in full. Given the lack of clarity over the details of UK Government-driven reforms to public sector pensions, the numbers published above are based on historic trends. These will be updated in due course once likely budget requirements become clearer.” (p 86)

2014-15 Police Revenue Spending

A [finance report](#), prepared for an SPA board meeting on 30 October 2014, provides information on plans for police spending during 2014-15, along with actual spending up to the end of September 2014.

Some of the figures referred to in the finance report differ from the headline funding figures set out in above tables. For example, the SPA finance report refers to a revenue (resource) budget allocation of £1,016.0m, rather than the £1,057.4m noted in Table 5. This is due to the figure in the finance report excluding £41.4m of non-cash finance provided to cover the costs of depreciation on assets. Other figures in the SPA finance report differ because they include monies available as a result of external income.

The finance report sets out the following plans for distribution of revenue funds during 2014-15:³

- employee costs (police officers and support staff) = 84.2%
- property costs = 5.3%
- transport costs = 2.1%
- supplies and services = 5.6%
- administration costs = 0.5%
- payments to other bodies = 1.4%
- other costs = 0.7%

² As noted above, capital funding within the SPA budget line also supports investment in ICT. The capital funding appearing in the Police Central Government line funds ICT projects related to police reform that are not part of the on-going SPA capital programme.

³ Based on figures set out in the table ‘Variance Analysis by Cost Type’ (SPA 2014a).

The above distribution highlights the importance of police officer and support staff costs in terms of meeting budget targets.

In relation to revenue spending up to the end of September 2014, the finance report (SPA 2014a) notes:

“Police Officer Costs – Under by £0.984m (0.3%)

- The Police Officer salary budget is underspent in the main due to underspends in salaries, national insurance and allowances (£1.468m). The budgets were set assuming Officers are paid at the mid point of the pay scale, however, there are a number of Officers at a lower pay point. In addition, the savings arising from rent allowance are higher than originally anticipated. Savings are realised as Officers in receipt of this allowance retire and this allowance is no longer paid to new recruits.
- This overall position is offset by an overspend in overtime (£0.484m). Within the overall overtime budget there is a contingency of £1.7m of which £0.020m has been allocated.

Police Staff Costs – Over by £0.152m (0.2%)

- The Police Staff salary budget is overspent by £0.152m. This is mainly due to overspends in salaries and on costs of SPA corporate staff (£0.148m).
- As part of the approved Revenue Budget Plan 2014/15, the Authority agreed to the capitalisation of salaries for capital projects. Staff and contractors posts working on capital projects have been identified and work is continuing with capital project budget holders to finalise the apportionment of their costs to individual projects.
- The phasing of the salaries budget profiles savings anticipated from the [voluntary redundancy/early retirement] VR/ER scheme based on the expected conclusion of each business areas' restructuring plan. Members will be aware that there is a delay between approval of an individual application for VR/ER and any resultant savings in salary and on costs. The current budget strategy reflects the majority of the savings being delivered from quarter two of the financial year.
- Since April 2013 the National Voluntary Release Panel has received 2,677 applications for VR/ER of which 989 have been reviewed and 867 (88%) of applications have been approved. Of the approved applications, 780 (90%) have accepted the offer, 55 (6%) have declined the offer and the remaining 32 (4%) are pending a decision from the member of staff.
 - There were 523 employees who left under the scheme during 2013/14 and the savings in that year were £5.4m. This will achieve full year savings of £14.6m.
 - There are a further 289 employees approved to leave the organisation of which 257 have accepted the offer. The 257 employees who have accepted the offer will result in savings in 2014/15 of £5.5m and the 32 employees with an outstanding decision would generate savings in 2014/15 of approximately £0.5m.

Transport Costs – Over by £0.242m (1.9%)

- The position is primarily due to an overspend in vehicle servicing and maintenance costs. A programme of work is currently being undertaken to review and rationalise vehicle maintenance practices with the Force with the aim of securing efficiencies which will reduce this overspend in the current financial year.

Supplies and Services – Over by £0.358m (0.9%)

- The reported position reflects a number of under and overspends on various budget lines. In particular Airwave costs are overspent by £0.151m which relates to a

previous years indexation with the balance of the overspend relating to Forensics services general running costs.

Third Party Payments – Under [by] £0.161m (3.4%)

- The position is primarily due to underspends in Members allowances and expenses.

Other Budget Lines

- There are no significant issues within general budget lines.”

2014-15 Police Capital Spending

The SPA finance report (2014a) also provides information on capital spending for 2014-15. It includes a revised capital plan for approval at the SPA board meeting on 30 October 2014. Figures for the revised plan are set out in Table 8.

Table 8: Revised SPA Capital Plan

Funding	2014-15 £m	Expenditure	2014-15 £m
Formula Capital	25.2	ICT	24.2
Police Reform	10.0	Fleet Replacement	7.6
Capital Receipts	6.4	Building Works	9.8
VAT Funding	8.0	Dalmarnock ⁴	6.1
Total	49.6	Forensics	1.1
		Other	0.7
		Total	49.6

In relation to funding:

- ‘formula capital’ is the annual allocation from the Scottish Government set out in Table 5
- ‘police reform’ is funding within the Police Central Government budget line (Table 6) which has been transferred from revenue to capital
- ‘capital receipts’ are from the sale of surplus property and motor vehicles
- ‘VAT funding’ is covered by monies within the Police Central Government budget line

Police Officers and Police Support Staff

In 2007, the Scottish Government outlined a commitment to make an additional 1,000 police officers available. The Draft Budget 2015-16 (p 82) repeats this commitment. One of the issues raised during scrutiny of the Police and Fire Reform (Scotland) Bill was whether the police will be able to maintain an efficient, balanced workforce while operating within the constraints imposed by:

- the Scottish Government commitment to maintaining increased numbers of police officers
- the Scottish Government commitment to no compulsory redundancies
- the need to make savings in budgets

⁴ The new police administrative headquarters in Glasgow which is due to open in 2015.

Some witnesses expressed concerns that these constraints could lead to inefficiencies caused by inappropriate levels of reduction in the number of civilian support staff, leading to police officers carrying out tasks better carried out by such support staff. Other witnesses, however, sought to provide reassurance that there were no plans for significant levels of backfilling.

Table 9 sets out quarterly figures for the total number of police officers between 31 March 2007 (the baseline used for the Scottish Government commitment) and 30 June 2014.⁵ As can be seen, there were 1,084 more police officers in June 2014 as compared with March 2007.

Table 9: Number of Police Officers

2007		2008		2009		2010	
date	number	date	number	date	number	date	number
31 Mar	16,234	31 Mar	16,222	31 Mar	17,048	31 Mar	17,409
30 Jun	16,265	30 Jun	16,339	30 Jun	17,278	30 Jun	17,424
30 Sep	16,306	30 Sep	16,526	30 Sep	17,217	30 Sep	17,371
31 Dec	16,267	31 Dec	16,675	31 Dec	17,273	31 Dec	17,217

2011		2012		2013		2014	
date	number	date	number	date	number	date	number
31 Mar	17,263	31 Mar	17,436	31 Mar	17,496	31 Mar	17,244
30 Jun	17,339	30 Jun	17,373	30 June	17,324	30 June	17,318
30 Sep	17,265	30 Sep	17,454	30 Sep	17,313		
31 Dec	17,343	31 Dec	17,436	31 Dec	17,258		

Source: Scottish Government 2014b

Table 10 sets out quarterly figures for police support staff during the same period.

Table 10: Number of Police Support Staff

2007		2008		2009		2010	
date	number	date	number	date	number	date	number
31 Mar	7,352	31 Mar	7,528	31 Mar	7,713	31 Mar	7,862
30 Jun	7,543	30 Jun	7,577	30 Jun	7,691	30 Jun	7,841
30 Sep	7,411	30 Sep	7,529	30 Sep	7,808	30 Sep	7,833
31 Dec	7,621	31 Dec	7,579	31 Dec	7,841	31 Dec	7,708

2011		2012		2013		2014	
date	number	date	number	date	number	date	number
31 Mar	7,447	31 Mar	6,947	31 Mar	6,790	31 Mar	5,987
30 Jun	7,109	30 Jun	6,890	30 June	6,701	30 June	5,806
30 Sep	7,001	30 Sep	6,995	30 Sep	6,450		
31 Dec	6,957	31 Dec	6,885	31 Dec	6,170		

Source: Scottish Police Authority and Parliamentary Questions

There were 1,546 fewer police support staff in June 2014 as compared with March 2007.

⁵ Figures for both police officers and civilian police support staff are for full-time equivalent posts.

A voluntary redundancy/early retirement (VR/ER) scheme for police support staff is in operation, with the current scheme running until 31 March 2014. A [human resources paper](#) prepared for an SPA board meeting on 30 October 2014 notes that police support staff numbers show the impact of this scheme in addition to an element of natural attrition. It goes on to state that:

“The National Voluntary Release Panel has met on 30 occasions and reviewed 989 applications for VR/ER. To date, 867 applications have been approved and 90% (780) of those have been formally confirmed to those staff and accepted. 6% (55) formally offered VR/ER after the panel approved their application chose to reject the offer at this point in time and there are a further 4% (32) of applications pending a decision to accept or reject the offer.

Based on the current profile, the total cost of releasing all those who have been approved, accepted or awaiting response to formal offer is £24.859 million. The Return on Investment profile is currently 1.06 years based on a full year savings of £23.459 million. Staff will leave under VR/ER during 2014/15. Included in the total VR/ER applications approved to date there are:

- 523 accepted where staff left during 2013/14. This has generated savings in 2013/14 of £5.368m (full year saving £14.564m); and
- 257 accepted with 32 pending decisions where staff will leave during 2014/15. This will generate savings in 2014/15 of £6.005m (full year savings £8.894m).

Following HRRC [Human Resources and Remuneration Committee] approval to formally consult the 2015-16 VR/ER terms with the Trade Union, this has now taken place. An approach will now be made to Scottish Government to ratify the terms prior to formally confirming the scheme for 2015/16 to our staff.” (SPA 2014b, p17-18)

COURTS

Spending

The Draft Budget 2015-16 notes that the Scottish Court Service (SCS):

“provides the people, buildings and technology to support the judiciary, the courts, and the Office of the Public Guardian. The SCS is a Non-Ministerial Department, chaired by the Lord President. From April 2015, the Scottish Tribunals Service will merge with the SCS to create the Scottish Courts and Tribunals Service.” (p 88)

Table 11 sets out level 3 budget figures for the SCS. As noted earlier in this briefing, from 2015-16 funding for the Scottish Tribunals Service is included within the SCS budget line rather than the Courts, Judiciary & Scottish Tribunals Service. The Scottish Government has provided more detailed (level 4) figures for the SCS budget line. However, additional detail relates only to Scottish Tribunals Service funding and is not reproduced below.

Table 11 highlights that the SCS budget is due to increase by £15.1m (in cash terms). The lion's share of this increase (£11.1m) is due to responsibility for tribunals' administration transferring to the SCS. After this transfer has been accounted for, the net increase in the budget is £4m in cash terms.

Table 11: Scottish Court Service

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Operating Expenditure	65.3	68.8
Scottish Tribunals Service	-	11.1
Capital	7.0	7.5
Total	72.3	87.4
real terms		
Operating Expenditure	65.3	67.7
Scottish Tribunals Service	-	10.9
Capital	7.0	7.4
Total	72.3	86.0

Source: Draft Budget 2015-16 (table 9.15)

Further information, covering SCS budgets for 2014-15 and 2015-16, is available in a written submission from the SCS (2014) to the Justice Committee. Relevant information is highlighted in the text below.

The SCS is able to generate its own income, through court fees and fines (although only a small proportion of fine income is retained by the SCS). The SCS projects that it will receive £35.6m in court fees and fines in 2015-16. Income generated by the SCS is used in addition to the budget supplied by the Scottish Government to fund court services. The overall operating budget for 2015-16 is expected to be £108.6m (SCS 2014, table 2).

In terms of the additional funding provided by the Scottish Government, the SCS (2014) highlights the following areas of expenditure:

- £2.6 million in non-cash funding to cover depreciation costs
- costs in relation to justice reform
- costs in relation to investment in ICT

Table 12 sets out level 3 budget figures for the Courts, Judiciary & Scottish Tribunals Service budget line. The Draft Budget 2015-16 notes that:

“The allocation for the Courts and the Judiciary element of this budget mainly provides for the Scottish Government contribution to the superannuation costs of judicial office holders in Scotland. It also provides for the running costs of the Judicial Appointments Board for Scotland and the Court of the Lord Lyon, as well as salary costs for the Lord Lyon, the Lyon Clerk, the Auditor of the Court of Session and members of the Scottish Law Commission. As noted above, the Judicial Salaries budget is allocated from the Scottish Consolidated Fund to meet the salary costs of judicial office holders in Scotland.⁶

The Scottish Tribunals Service (STS) provides support to a range of tribunals operating in Scotland and is delivering the reform of the Scottish tribunal system.” (p 79)

⁶ The Judicial Salaries budget is part of the relevant Scottish Government departmental spending limit in Treasury terms, but not voted on by the Scottish Parliament. The funding is reserved by the UK Department. Thus, it appears in the Scottish Government draft budget but not the Scottish Parliament budget bill.

Table 12: Courts, Judiciary & Scottish Tribunals Service

	2014-15 budget £m	2015-16 draft budget £m
cash terms		
Courts, Judiciary	10.4	9.9
Scottish Tribunals Service	11.1	-
Judicial Salaries	30.1	30.6
Total	51.6	40.5
real terms		
Courts, Judiciary	10.4	9.7
Scottish Tribunals Service	11.1	-
Judicial Salaries	30.1	30.1
Total	51.6	39.9

Source: Draft Budget 2015-16 (table 9.04)

Table 12 shows a budget decrease of £11.1m (in cash terms) in the Courts, Judiciary & Scottish Tribunals Service budget. As discussed above, this is accounted for by a transfer of funding associated with the Scottish Tribunals Service to the SCS. A merged Scottish Courts and Tribunals Service will carry out tribunals' administration from April 2015.

Court Closures

The Scottish Government is currently engaged in a significant programme of justice reform, covering court accommodation, staff and procedural efficiencies and use of information technology. These issues are considered under this and the next three sub-headings.

The SCS is in the process of closing a number of sheriff and justice of the peace courts. The timetable for the closures is as follows:

- Arbroath – 31 May 2014
- Cupar – 31 May 2014
- Dingwall – 31 January 2015
- Dornoch – 30 November 2013
- Duns – 31 January 2015
- Haddington – 31 January 2015
- Kirkcudbright – 30 November 2013
- Peebles – 31 January 2015
- Rothesay – 30 November 2013
- Stonehaven – 31 May 2014

The Justice Committee looked at the combined impact of court closures and civil court reform during its consideration of the Courts Reform (Scotland) Bill. In its stage 1 report, it concluded:

“The Committee notes the concerns of witnesses regarding the capacity of the personal injury court and sheriff courts to take on 2,700 cases from the Court of Session. While we accept that a large proportion of these cases will not go to proof, sufficient time and capacity will be required to deal with the settlement of such cases. We also question whether sufficient time has passed to assess the impact of recent and planned sheriff court closures on business in the sheriff court to provide confidence that further additional business can be accommodated. We therefore seek further information on where capacity will be lost as a result of court closures and how that can be dealt with in the other local courts, as well as plans to ensure a further 3% capacity on top of this.” (2014, para 347)

The Scottish Government's response to the stage 1 report said that:

"We believe that there is sufficient capacity in the sheriff courts to absorb the expected transfer of around 2,700 cases from the Court of Session. This was also the view of the Lord President, Sheriff Principal Stephen and the Chief Executive of the Scottish Courts Service when they gave evidence to the Justice Committee. Indeed, recently released statistics show that there has been a substantial reduction in the number of civil cases being heard at sheriff court level – a drop of around 8,000 cases (9%) between 2011-12 and 2012-13, and a drop of over 50,000 cases (41%) since 2008-09." (2014c, p 3)

The SCS argues that court closures will:

"allow us to focus future investment across a smaller group of buildings while maximising the benefit of that investment in the services delivered to court users." (SCS 2013, para 1.10)

Among the investments planned are better use of information technology and better facilities for victims and witnesses. The SCS also intends to create sixteen sheriff and jury centres in major population centres where more complex sheriff court cases can be dealt with. There will be further provision for sheriff and jury business in the islands. It is expected that it will take ten years for this process to be completed.

The SCS would like to develop purpose-built court-centres around Scotland. These facilities would be designed to provide the best accommodation for court users and services, taking into account the needs of victims, witnesses and support services as well as professional court users. However, significant capital investment would be necessary to take this forward.

In its submission to the Justice Committee's budget inquiry, the SCS states:

"The Scottish Government supports this view and has identified potential funding through the NPD model⁷ of up to £60m over the next 4-5 years for the development of up to 3 justice centres, subject to successful feasibility studies and the availability of adequate revenue funding to effectively manage their delivery. Development of proposals in relation to potential justice centres is at an early stage, although we envisage that these centres would replace existing court locations and that further court closures would not be a consequence of their introduction." (2014, para 9)

Civil Court Reform

Civil and administrative justice in Scotland is in the process of a major overhaul. The Courts Reform (Scotland) Act 2014 makes changes to the structure and procedures of Scotland's civil courts with the intention of improving efficiency and effectiveness. The Tribunals (Scotland) Act 2014 reforms the administrative structure underpinning the tribunals system in Scotland. The SCS and the Scottish Tribunals Service are expected to merge to create the Scottish Courts and Tribunals Service in April 2015.

It is expected that the Courts Reform (Scotland) Act 2014 will create long-term savings, with short-term costs being funded from increased fees to civil court users. There are additional costs associated with the Tribunals (Scotland) Act 2014, but these are not expected to start accruing until 2016-17. Additional costs are also associated with the merger between the SCS and the Scottish Tribunals Service. However, these have been dealt with in the 2014-15 budget

⁷ The NPD model refers to the Non-Profit Distributing model of project funding. This has been developed by the Scottish Futures Trust as a replacement for the Private Finance Initiative.

(SCS 2014, para 14). Thus none of the processes are expected to have an impact on the 2015-16 budget.

Criminal Court Reform

There are also a number of initiatives underway to improve the efficiency of the criminal courts. This is partly about improving accommodation through, for example, investment flowing from the court closures programme. It is also partly about improving criminal court procedures.

The report of the Independent Review of Sheriff and Jury Procedure was published in 2010.⁸ It includes a number of recommendations to improve communication between the defence and prosecution, some of which are being taken forward by the Criminal Justice (Scotland) Bill.

The Victims and Witnesses (Scotland) Act 2014 created new rights for witnesses. These include rights concerning: information about cases; standards of service from justice organisations; and special protection when a vulnerable witness is giving evidence. The Financial Memorandum, which accompanied the Victims and Witnesses (Scotland) Bill, assessed the costs on the SCS of delivering on the Bill's provisions as between £0.4m and £0.5m per year. The Financial Memorandum stated that:

“To address costs in 2015/16 onwards, any rise in the overall running costs of SCS will be reviewed as part of the overall planning for the Justice budget.” (para 15)

Information and Communications Technology

Improvements in the use of ICT are also expected to support court reform. The SCS is currently investing in new ICT infrastructure. This will support the development of electronic case management systems. It will also support digital access to the courts, including appearances by video link and the electronic presentation of evidence. The detailed budget provided by the SCS (2014) highlights that an additional £1.9m has been allocated to ICT development.

The new case management systems will allow various parties (such as defence and prosecution lawyers) to access and share information electronically. It will also enable warrants, citations and other court documents to be issued electronically. The new technology is being developed collaboratively across justice organisations to maximise the data which can be shared.

It is intended that a new civil justice case management system will be in place by the end of 2016, with secure wi-fi in all court buildings. Further information about the development of ICT can be found in the Scottish Governments [Digital Strategy for Justice in Scotland](#) (2014d).

⁸ Sheriff and jury procedure is used to deal with more serious criminal cases prosecuted under solemn procedure in the sheriff courts.

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