

Title: Impact Assessment on Her Majesty's Courts and Tribunals Service proposals on the future of Neath Magistrates' Court IA No: MoJ213 Lead department or agency: Ministry of Justice Other departments or agencies:	Impact Assessment (IA)		
	Date: 20/12/2013		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Other		
Contact for enquiries:			

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£1.3m	£m	£m	No NA

What is the problem under consideration? Why is government intervention necessary?
Having secured European/Welsh Government funding of circa £14 million, the town of Neath is being extensively redeveloped by Neath Port Talbot County Borough Council. The closure and demolition of Neath Magistrates' Court is seen as critical to the regeneration. The operating costs of Neath Magistrates' Court are £620,000 a year and the market value is £175,000-£300,000. In 2012/13 utilisation of Neath Magistrates' Court was 60% (57% excluding family/tribunal work which will not transfer to Swansea) and there is no prospect of work increasing in Neath in order to address this under-utilisation. Government intervention is required to reduce excess capacity in the HMCTS estate in South Wales.

What are the policy objectives and the intended effects?
The objective is to reduce excess capacity in the HMCTS estate in South Wales and allow the regeneration of the Neath local area to commence. It is intended that the majority of the work from Neath Magistrates' Court will move to Swansea Magistrates' Court 9 miles away.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Option 1: Do nothing - keep Neath Magistrates' Court operational.
Option 2: Close Neath Magistrates' Court and sell building to the Council in order to facilitate the re-development of the town and reduce excess capacity in HMCTS estate in South Wales. The majority of the work from Neath Magistrates' Court will move to Swansea Magistrates' Court.
No other options were deemed feasible from a value for money perspective. One option considered in detail was to move work into the County Court, but the cost of this was estimated at £1.46m. It would also require finding a new site for the County Court work.
The selected option is Option 2 which reduces surplus capacity in the HMCTS South Wales estate and allows the regeneration of the Neath local area to commence.

Will the policy be reviewed? It will/will not be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?				Yes / No / N/A	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes/No	< 20 Yes/No	Small Yes/No	Medium Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded:	
				Non-traded:	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description: Maintain operations in Neath Magistrates' Court

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £0m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate	£0	£0	£0

Description and scale of key monetised costs by 'main affected groups'

HMCTS would continue to fund the ongoing operating cost of Neath Magistrates' Court of £620k per year. This includes staff costs, IT costs, utilities, property services and maintenance, and other office expenditure.

Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	£0	£0	£0

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	Yes/No	IN/OUT/Zero net cost

Summary: Analysis & Evidence

Policy Option 2

Description: Closure of Neath Magistrates' Court

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
		Low:	High:	Best Estimate: £1.3m	

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low				
High				
Best Estimate	£0.23m		£0.05m	£0.48m

Description and scale of key monetised costs by 'main affected groups'

The main transition costs are enabling works of £150,000 (excluding optimism bias) at Swansea Magistrates' Court. The only ongoing costs are increased travel costs for court users which have been estimated as £49,000 a year excluding optimism bias.

Other key non-monetised costs by 'main affected groups'

Some staff and members of the judiciary may experience slightly higher costs of having to travel further to the receiving court, Swansea Magistrates' Court

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low				
High				
Best Estimate	£1.6m		£0.1m	£1.8m

Description and scale of key monetised benefits by 'main affected groups'

The main transition benefits are a result of saving £1.3m investment on maintenance works required in Neath Magistrates' Court. The value of Neath Magistrates' Court has been estimated as £175,000 (excluding optimism bias). We have also estimated a further £125,000 of regeneration benefits from the sale of the Court allowing the regeneration scheme to proceed.

Other key non-monetised benefits by 'main affected groups'

This option allows the regeneration of the Neath area to progress. There will be many benefits of this regeneration, for example employment and an increase in local trade, but it has not been possible to fully monetise these benefits.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
Workload and court user waiting times are not expected to change.		

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	Yes/No	IN/OUT/Zero net cost

Evidence Base (for summary sheets)

Introduction

1. This Impact Assessment, which should be read together with the associated Ministry of Justice consultation paper, examines closure options for the HMCTS site at Neath Magistrates' Court. The chosen option is to close Neath Magistrates' Court and transfer the majority of the work to Swansea Magistrates' Court.

Rationale

2. Following the securing of European and Welsh Government funding to regenerate the town, Neath Port Talbot County Borough Council see acquiring the magistrates' court site as critical to any Town Centre regeneration. The majority of work at Neath Magistrates' Court could be transferred to Swansea Magistrates' Court which is 9 miles away. Neath Port Talbot County Borough Council want to acquire the building by January 2014 to avoid any further delay to the regeneration.
3. During the bidding stages for a new Neath Town Centre PFI project in 2006-07 Neath Port Talbot County Borough Council approached the then Her Majesty's Court Service to secure a relocation of the court to enable the freehold transfer of the magistrates' court site to the local authority.
4. The original plan was to build a replacement court on a new site in the town, which was estimated to cost £6.5m. However, when the financial position changed, a decision that the full PFI scheme was unaffordable was communicated to the Local authority.
5. In 2010 there was renewed effort by the Local Authority, in cooperation with the Welsh Government, to make a "Neath Town Centre regeneration lite scheme". The need to secure the magistrates' court site was seen as critical to any Town Centre regeneration. Through consultation in 2009-2011 numerous options were offered to HMCTS to relocate the existing magistrates' court and the agreed suitable scheme was the reconfiguration of the Neath and Port Talbot County Court into a magistrates' court at a construction cost of £1.4m. This scheme (which was the agreed compromise to the new build) was agreed to be funded by the local authority using European / Welsh Government funding.
6. However, following the review of the HMCTS estate in early 2013 it has been determined that there is insufficient business requirement for a magistrates' court in Neath, so spending any public money in Neath would not be good value for money. Neath, Port Talbot County Borough Council continue to express a strong desire to obtain a timeline and plan for them to have access to the magistrates' court premises by January 2014. Whilst any local authority would not publicly support the transferral of public services to another local authority, they will not levy any strong objections to the proposals to close the court, if this is the decision that is taken as a result of a consultation.
7. Neath Magistrates' Court is situated in the middle of the development zone, consequently the Council have for some time expressed interest in purchasing the magistrates' court building and have submitted a planning application while they are currently in negotiations with HM Courts and Tribunals Service to demolish the building should this consultation exercise conclude that we should close Neath Magistrates' Court and transfer workload and staff to nearby Swansea Magistrates' Court.
8. The criminal workload at Neath Magistrates' Court can be transferred to Swansea Magistrates' Court, which is 9 miles from Neath Magistrates' Court. The move will be further facilitated by the transfer of Swansea Family Proceedings hearings from Swansea Magistrates' Court to Swansea Civil Justice Centre. Swansea Magistrates' Court has the capability to absorb the workload and all staff would be transferred to Swansea Magistrates' Court. It is a modern, purpose built courthouse with good transport links, excellent facilities and is Equality Act compliant. It will result in improved court utilisation at Swansea Magistrates' Court. This will result in an increase in travel times for some court users which has been factored in to the economic evaluation.
9. The family workload can be transferred to Neath and Port Talbot County Court where no enabling work will be required to achieve this. The change in travel time for court users for family work has been assumed to be negligible. The small amount of tribunals work that takes place at Neath Magistrates' Court will be transferred to Port Talbot Justice Centre - a new purpose built courts and tribunals' centre.

Utilisation Levels

10. This information has been measured against capacity i.e. number of court rooms rather than court schedules. There are 3 court rooms at Neath Magistrates' Court and 6 court rooms at Swansea Magistrates' Court. Moving the criminal work from Neath Magistrates' Court to Swansea Magistrates' Court would be facilitated by existing plans to move family work out of Swansea Magistrates Court to Swansea Civil Justice Centre. Therefore we have excluded family work from our utilisation rates for Swansea.
11. The 60% utilisation for Neath Magistrates' Court *includes* family and tribunal work, which is not expected to move to Swansea; utilisation at Neath under option 1 would be 57% if this work is excluded. It has been assumed that in option 2 the 89 hours of family work in Neath Magistrates' Court will transfer to Neath County Court and the 43 hours of tribunals work will transfer to Port Talbot Justice Centre.

Table 1: Utilisation Levels for Options 1 and 2

	Court Rooms	Hours available	Estimated Workload (hours)	Utilisation
Option 1				
Neath Magistrates' Court	3	3720	2234	60%
Swansea Magistrates' Court	6	7440	3815	51%
Option 2				
Neath Magistrates' Court	3	3720	0	0%
Swansea Magistrates' Court	6	7440	5917	80%

Policy Objective and scope

12. The policy objective is to increase utilisation in HMCTS estate and to enable Neath and Port Talbot County Borough Council to go ahead with the regeneration project. The policy will also have due regard to the impact of possible closures on court and tribunal users, on access to justice, on journey times for users and on the challenges of rural access. Account will also be taken of any mitigating action where journeys are significantly increased

Economic rationale for intervention

13. The conventional economic approach to Government intervention is based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way a market operates ("market failures") or if it would like to correct existing institutional distortions ("government failures"). Government also intervenes for equity ("fairness") reasons. In this case, intervention would be justified primarily on efficiency grounds.
14. The closure of Neath Magistrates' Court is estimated to result in an increase in utilisation in Swansea Magistrates' Court from 51% to 80%.
15. The sale of Neath Magistrates' Court would enable a more efficient use of land through the regeneration project at minimal cost as the court work can be moved to Swansea Magistrates' Court 9 miles away. This also increases the efficiency of Swansea Magistrates' Court.

Affected groups

- MoJ
- Police
- Crown Prosecution Service
- Probation (NOMS Wales)
- PECS (Prison Escort Custody Service)
- Youth Offending Service

- Victim Support Services and Witness Service
- All court users
- Judiciary
- Local Businesses

Principles underpinning cost benefit analysis

16. This Impact Assessment identifies as far as possible both monetised and non-monetised impacts with the aim of understanding what the net impact on society might be from this change.
17. Cost benefit analysis in this Impact Assessment is interpreted broadly, to include both monetised and non-monetised costs and benefits, with due weight given to those that are non-monetised.
18. The geographical scope of this Impact Assessment is South Wales.

Policy Option 1: Do nothing

19. The “do nothing” option sets out the assumptions should HMCTS choose not to close and sell Neath Magistrates’ Court and the building remains operational;
 - There would be no costs associated with closing the site.
 - Neath and Port Talbot County Borough Council are unlikely to be able to regenerate the area
 - Utilisation levels would continue to be low in both Neath and Swansea Magistrates’ Courts.
 - An estimated £1.3m would need to be spent on essential maintenance works over the next two years should the court not close.

Policy Option 2: Close Neath Magistrates’ Court

- There will be some costs associated with closing and selling the site
- Neath and Port Talbot County Borough Council are likely to be able to regenerate the area
- Utilisation levels at Swansea Magistrates’ Court will improve
- £100,000 savings in annual operating costs (including optimism bias)

Costs and benefits

20. The following costs and benefits are incurred under Option 2;

Transitional costs (monetised)

21. For HMCTS, transitional costs will be incurred due to:
 - Decant costs: This covers the costs associated with decanting work, staff and equipment (such as portage of documents) between sites. This is estimated at £3,000 (excluding optimism bias and VAT).
 - IT decommissioning: There are expected to be costs associated with decommissioning IT at Neath Magistrates Court. This is estimated at £50,000 (excluding optimism bias).
 - Enabling Works: This is the cost of work enabling Swansea magistrates’ Court to receive the work from Neath Magistrates’ Court. This is estimated at £150,000 (excluding optimism bias).
 - Disposal Costs: These are the legal fees associated with selling the building estimated at £2,000 (excluding optimism bias). It has been assumed that there would be no marketing costs as a willing buyer has already been identified.

- Project costs: There are expected to be negligible project costs (which are not already captured above) as the closure is expected to be delivered as part of business as usual.

Transitional costs (un-monetised)

22. For HMCTS, one-off un-monetised costs will be incurred due to:

- 'Familiarisation and awareness' costs: There will be familiarisation and awareness costs for court users relating to where the nearest court is. Similarly, it may take some time for staff to settle in their new place of work, particularly as some work practices may differ slightly between courts. While this point is noted its impact is anticipated to be negligible.

Ongoing costs (monetised)

Court Users

23. Travel Costs: This is the estimated cost of the increase in travel time of the public as a result of having to travel to Swansea rather than Neath. This is estimated at £49,000 a year (excluding optimism bias). See the travel time impact section below for more details.

Transitional benefits (monetised)

24. Sale Value: The market value of Neath Magistrates' Court in the absence of the regeneration programme has been estimated as £175,000 to £300,000 (excluding optimism bias). We have used £175,000 in our analysis to be conservative. This figure is based on the value of the land, since we do not expect to be able to realise the value of the building as court buildings are not generally suitable for other purposes.
25. Regeneration Benefits: We estimate benefits to the regeneration project of £125,000 (excluding optimism bias), based on the difference between the value of the Court (£175,000) and the amount that Neath Port Talbot Council County Borough Council have agreed to pay (£300,000).
26. Maintenance: Estimated maintenance savings are £1.3m over the next two years. This is required for new windows, a new roof, structural reinforcement due to concrete age and deterioration and a custody facilities upgrade. Some responses to the consultation queried whether these maintenance savings were a genuine benefit, suggesting that the court was scheduled to be demolished anyway. However, the 'do minimum' option in this case is for Neath Magistrates' Court to be kept open, requiring the maintenance to be fit for purpose. The costs and benefits of the other option are compared on a relative basis.

Ongoing benefits (monetised)

27. Operating Savings: For HMCTS, operational savings totalling £110,000 per year (excluding optimism bias) will be made as a result of:
- Lower fixed costs: HMCTS currently pays £50,000 per year in fixed costs (i.e. those that do not vary with the amount of work done in the building), in the form of business rates and service charges. We assume 100% of these fixed costs can be saved by closing Neath Magistrates' Court (excluding optimism bias).
 - Lower semi-variable costs: HMCTS currently pays £185,000 in semi-variable costs (i.e. those that vary partially with the amount of work done in the building), in the form of utilities, security, cleaning and so on. Although some of these costs will transfer with the workload to Swansea Magistrates' Court, we expect £60,000 will be saved annually from the work being concentrated in one place (excluding optimism bias).

Other un-monetised impacts

Impact on local area

28. The closure of Neath Magistrates' Court would enable the regeneration of the local area to progress. This is likely to have many economic benefits such as increased employment and local trade, but it has not been possible to monetise these benefits beyond the £125,000 discussed in the premium on the value of the court.

HMCTS

29. We assume there are no staff savings associated with the closure of Neath Magistrates Court and that affected staff move to Swansea Magistrates' Court or other courts in Wales. There may be some impact on these members of staff (changes to travel arrangements) though HMCTS will seek to minimise this impact.
30. Swansea Magistrates' Court may see a slight increase in costs as a result of increased use of utilities, higher maintenance costs and higher variable costs (such as printing, postage and telephony). However, this is likely to be negligible.

Judiciary / Magistrates

31. There will also be a transfer of judicial costs (including the magistracy) from Neath Magistrates' Court to Swansea Magistrates' Court, so there is no net impact. Travel time for Magistrates will be affected, but this effect is included in the estimate of travel time impacts in the following section.
32. Arrangements to plan for the closure of Neath Magistrates' Court and the merger of the Local Justice Areas of Swansea and Neath Port Talbot can now commence. This will involve the Justices' Clerk liaising with Bench Chairpersons and consulting with them on proposed listing arrangements. One of the aims will be to provide every justice with a minimum of 26 sittings. The local Lord Chancellor's Advisory Committee will keep the Bench establishment under review, but every justice will be allocated sittings. The merger of the Benches (i.e. Local Justice Areas) will not have any impact on the amount of work needed to be undertaken by magistrates and it is anticipated that there will be only limited direct impact to the sitting day requirements.

MoJ

33. We do not expect there to be an adverse impact within our parent organisation.

Police

34. There is unlikely to be any adverse impact on the Police; and it is probable that there will be some positive benefits. The South Wales Police Divisional Headquarters for West Glamorgan are situated in Swansea, directly opposite Swansea Magistrates' Court.
35. Some responses to the consultation argued that defendants might not turn up for trial at Swansea, resulting in a warrant for their arrest and extra use of police time. Anecdotally, the experience is that there is rarely any direct correlation between the distances defendants have to travel to court and any failures for them to do so. Defendants from the Neath Port Talbot area bailed to appear at the Crown Court already have to travel to the Crown Court centre at Swansea.

Crown Prosecution Service

36. The impact for the Crown Prosecution Service will be positive. The Crown Prosecution Service offices are based in the Police Station at Swansea, opposite the court, and they will no longer have to travel to and service the Neath and Port Talbot Magistrates' Court.

Probation (NOMS Wales)

37. We expect the impact on the Probation Service to be minimal and it is likely to be positive. The Probation Service will have one less court house to service. Currently, the Probation Service use accommodation within the court building to service their work emanating from the courts. The Probation Service will need to redeploy their staff.

PECS (Prison Escort Custody Service)

38. We expect there to be a positive impact on PECS. It is anticipated that the Police will accommodate all prisoners detained after charge in West Glamorgan at their custody suite in Swansea. This will mean that PECS contractors will not have to transport prisoners from Swansea for hearings at Neath and Port Talbot. The local prison for adult males is also located within Swansea, and prisoners will no longer have to be conveyed to and from Neath and Port Talbot Magistrates' Court.

Youth Offending Service

39. Swansea and Neath Port Talbot local authorities each have their separate Youth Offending Services. However, the workload for the respective youth courts is very low; and there is already one combined justices' Youth Panel for West Glamorgan. Due to the closeness of Neath Port Talbot

to Swansea, it would have been necessary to consider locating all hearings in Swansea in any event. It is anticipated that the Youth Offending Services for the two local authorities will want to work more closely together, at least in respect of servicing court related work, in order to make efficiencies.

40. Neath Port Talbot Youth Offending Team may see a negative impact from having to travel to Swansea for the purposes of attending court and supporting youth offenders at their hearings. At most, this is likely to be for one court per week. Youths arrested in Neath Port Talbot are also likely to be detained for questioning at a Swansea Police Station, so the Youth Offending Team would already need to travel for these purposes.

Victim Support Services and Witness Service

41. The impact on the Victim Support Service and the Witness Service will mean that these organisations will need to refocus their operations, to provide a continuity of service, ensuring that field and court based support remains in place.

All court users

42. As Port Talbot, Neath and Swansea are situated closely together and are joined by the main Paddington to Swansea railway line, with frequent services, the impact on court users will be relatively low. The three towns are also joined by an excellent road network.
43. Some responses to the consultation were concerned about multiple court users having to share the same forms of public transport (e.g. witnesses and defendants). However, the mainline Paddington to London train service generally offers eight coaches, with five standard class carriages, which reduces the likelihood of victims and defendants meeting or having to travel in close proximity. The Victim Service, Victim Support Service and Witness Care Unit may be engaged should a victim or witness need support with any issues, including difficulties in attending court.

Local Businesses

44. Given the Council's regeneration of the town, new and existing businesses should not object to our plans.

Travel time impacts

45. Neath Magistrates' Court is located nine miles away from Swansea Magistrates' Court.
46. We have estimated that following the closure of Neath's Magistrates' Court the average travel time will increase from 14 minutes to 25 minutes if travelling by car and 34 minutes to 59 minutes if travelling by public transport. These estimations use the Department for Transport journey planner to estimate the additional journey time by car and public transport for each Lower Layer Super Output Area (LSOA, 400-1200 households) previously assigned to Neath Magistrates' Court to travel to Swansea Magistrates' Court.
47. The central estimate of the annual cost of this increased travel time is £49,000. This is based on the Department for Transport valuation of travel time. However our estimations range from £10,000 to £110,000, depending on how much of the travel is regarded as working/non-working time.

Breakdown of Population by Travel Time	Neath Magistrates Court- Travel Times (min)			
	Car		Public Transport	
	Pre-Closure	Post-Closure	Pre-Closure	Post-Closure
Population within 30 minutes	91%	85%	56%	3%
Population living between 30 and 60 minutes away	9%	15%	32%	62%
Population living between 60 and 90 minutes away	0%	0%	6%	27%
Population living between 90 and 120 minutes away	0%	0%	6%	6%
Population living more than 120 minutes away	0%	0%	0%	3%
Average Travel Time	14	25	34	59

Breakdown of Population by Travel Time	Wales Magistrates Courts - Travel Times (min)			
	Car		Public Transport	
	Pre-Closure	Post-Closure	Pre-Closure	Post-Closure
Population within 30 minutes	86%	85%	41%	39%
Population living between 30 and 60 minutes away	13%	13%	40%	41%
Population living between 60 and 90 minutes away	2%	2%	9%	10%
Population living between 90 and 120 minutes away	0%	0%	3%	3%
Population living more than 120 minutes away	0%	0%	7%	7%
Average Travel Time	18	19	92	92

48. Changes in the total cost of travel outside the increased time taken are outside the scope of this Impact Assessment, which evaluates the decision based on its cost and benefits to the UK as a whole. For example, a court user potentially having to pay an increased bus fare as a result of the decision is not a cost to the UK, since this is simply a transfer from one part of society (the court user) to another (the bus company). However, the MoJ has a commitment to ensure Access to Justice, and so the following sections describe the potential additional travel costs that would result from the decision to close Neath Magistrates' Court.
49. Some responses to the consultation questioned whether all individuals would be able to arrive in time for the morning session, particularly those travelling long distances on public transport or with childcare obligations. Exceptions to the ability to attend court at a particular time may be considered on representations made on a case-by-case basis and may be addressed through the listing processes.

By Train

50. The nearest station to Neath Magistrates' Court is Neath which is a 5 minute walk from Neath Magistrates' Court.
51. The nearest station to Swansea Magistrates' Court is Swansea which is a 7 minute walk from Swansea Magistrates' Court. The journey between Neath and Swansea takes 13 minutes on the train and costs £2.60.

By Car

52. The distance between Neath Magistrates' Court and Swansea Magistrates' Court is 9.6 miles, taking an extra 20 minutes at a cost of £0.49 in fuel. Some parking is available at the Court; the nearest commercial parking costs between £6 and £12 per day.

By Bus

53. There is a frequent local bus service available during the day. The largest population centres in the current catchment area for Neath Magistrates' Court are Neath itself, Port Talbot, Pontardarwe and Ystalyfera (based on 2011 census data). These locations have bus links via Neath or direct to Swansea and travel costs are generally between £4.50 and £9.00 for a return fare.

Summary of monetised impacts

54. The economic appraisal is conducted over a 5 year appraisal horizon starting in 2013/14. In present value terms, policy option 2 has economic costs of £480,000 and economic benefits of £1,780,000 for an overall net present value (NPV) of £1,300,000.

Table 2 – Summary of monetised impacts (£000s) of Option 2 – including optimism bias

Figures in £000s, real values	2013/14	2014/15	2015/16	2016/17	2017/18
<i>Costs (excl VAT)</i>					
Decant costs	4	-	-	-	-
IT decommissioning	60	-	-	-	-
Enabling works	165	-	-	-	-
Travel costs	54	54	54	54	54
Disposal Costs	2				
Total cost	285	54	54	54	54
NPV costs (4yrs)	483				
<i>Benefits</i>					
Operating cost savings	25	101	101	101	101
Building value		158	-	-	-
Regeneration		25	25	25	25
Maintenance savings		585	585		
Total benefit	25	869	711	126	126
NPV benefits (4yrs)	1,752				
Net benefit	(260)	815	657	72	72
NPV (4yrs)	1,269				

Risks and Assumptions

55. It is assumed that there is no change in the volume of court cases, no change in court fees and no change in court user waiting times while at court.
56. We assume there is no impact on service delivery.
57. Judicial costs are assumed to remain unchanged.
58. There is assumed to be no impact on the ability to hear cases at magistrates' courts.
59. We have assumed that the transfer of Neath Magistrates' Court would take place in January 2014 under Option 2 and would cost £50,000. There is a risk the cost of IT decommissioning may increase in order to ensure that the building can be transferred in January 2014.
60. A number of the costs and benefits are uncertain. To account for the demonstrated and systematic tendency of project appraisers to be optimistic, we have applied the optimism bias figures shown in Table 3.

Table 3: Optimism bias

Cost/benefit	Assumed optimism bias
Savings from facilities (security, cleaning, maintenance)	10%
Savings from selling the property	10%
Maintenance investment savings	10%
Cost of decant	10%
Cost of enabling works	10%
Increased travel costs	10%
Disposal Costs	10%
Cost of IT decommissioning	20%
Regeneration Benefits	20%

Scenarios and sensitivities*Increase in workload*

61. There is a risk that workload could increase. The Local Development Plan sets out around 3,000 new homes on which construction has commenced, which could lead to more work if crime increases with the higher population. On the assumption that these households are filled by people currently living outside Neath Port Talbot and Swansea, and that the UK average of 2.3 people per household applies, this would result in 6,900 new residents (a 5% increase in total population). This could result in a higher workload in the long run, although nationwide the historical trend has seen workload falling despite increases in population.
62. If the workload increased by 10% in Swansea Magistrates' Court the utilisation would increase to 87%. If the workload increased by 20% in Swansea Magistrates' Court the utilisation would increase to 95%. This level of utilisation is not expected to be sustainable in the long term. However, such a substantial increase in workload could be managed by exploiting efficiencies in listing, by adding capacity (for example, additional rooms or extended sitting days) or by reallocating work across the local area.

Table 4: Sensitivity Analysis on Workload Volumes

	Court Rooms	Hours available	Estimated Workload (hours)	Utilisation
Estimated Workload	6	7440	5917	80%
Estimated Workload + 10%	6	7440	6509	87%
Estimated Workload + 20%	6	7440	7101	95%

Decrease in maintenance cost savings

63. As the maintenance cost savings are the main monetised benefit of Option 2 we have performed high level sensitivity analysis on this benefit. In the extreme case where no maintenance cost savings are made the NPV of option 2 is £158,000. This would never be the case but shows that the project would still have a positive net present value to society even if the maintenance cost savings decreased.

Wider impacts

Equality impacts

64. Under section 149 of the Equality Act 2010 (“the Act”), when exercising its functions the Ministry of Justice is under a legal duty to have ‘due regard’ to the need to:
 - a. Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct under the Act;
 - b. Advance equality of opportunity between different groups (those who share a protected characteristic and those who do not); and
 - c. Foster good relations between different groups.
65. In line with our responsibilities under the Equality act 2010, we have considered, on the basis of the available evidence, the likely impacts of proposed court closure on individuals with protected characteristics. In order to do this we have compared facilities at the two courts and have considered the journey times, cost and accessibility of public and private transport between the two courts.
66. Prisoners are currently unloaded/loaded from vehicles at Neath Magistrates’ Court in a small insecure yard adjacent to the building which presents a security risk to court users. At Swansea the offloading of prisoners is on a little used side street, with parking for GeoAmey directly alongside the access to the custody suite access point
67. Some responses to the consultation suggested that Swansea Magistrates’ Court has poorer facilities for disabled users, but this is not the case. Although there is no direct Equality Act 2010 access to the court from the cells, there is a managed situation at Swansea Magistrates’ Court for prisoners with disabilities to access the courtrooms. Additionally, in line with its obligations under the Equality Act 2010, HMCTS has a reasonable adjustments policy which will ensure reasonable steps are taken to meet any additional needs request by disabled court users.
68. The travel time analysis is set out in paragraphs 44-53 above. It concludes that 97% of court users within the Neath area live within 90 minutes of Swansea by public transport. Most court users would have significantly shorter journeys and average travel time for the local population by car would be 25 minutes, or 59 minutes by public transport. We consider this to be reasonable. There is also regular, affordable and accessible public transport between Neath and Swansea with train and bus fares varying between £2.60 and £9. For those court users for whom increased journey times might be problematic, HMCTS will consider on a case by case basis requests for more flexible start and end times for court hearings. This may help to mitigate the impacts for some court users with protected characteristics e.g. those with caring responsibilities, who are more often women.
69. As there are regular and affordable transport links between the two sites and given that facilities at the same site are broadly comparable, we do not believe that the impact of the proposal to close Neath Magistrates Court amounts to a particular or substantial disadvantage for those with protected characteristics. Therefore we consider the proposals and any resulting impact to be a proportionate means of achieving the legitimate business aim of making more effective use of the Court Estate and reducing running costs.

Specific Impact Tests

70. The following screening tests have been conducted on the preferred option.

Competition assessment

71. We do not anticipate a material impact on competition as a result of the closure of Neath Magistrates’ Court. Specifically, we do not expect the closures to limit:
 - The number of legal services providers
 - The ability of suppliers to compete

- Suppliers' incentives to compete vigorously

Wider Environmental Impact Test

72. There are not expected to be adverse impacts on air quality, water quality and quantity, flood risk, biodiversity, landscape or noise.
73. *Will the policy option be vulnerable to the predicted effects of climate change?* No.
74. *Will the policy option lead to a change in the financial costs or the environmental and health impacts of waste management?* No.
75. *Will the policy option impact significantly on air quality?* Any impacts on air quality will be negligible.
76. *Will the policy option involve any material change to the appearance of the landscape or townscape?* No.
77. *Will the proposal change 1) the degree of water pollution 2) levels of abstraction of water or 3) exposure to flood risk?* 1) No. 2) No. 3) No.
78. *Will the policy option change 1) the amount or variety of living species 2) the amount, variety or quality of ecosystems?* 1) No. 2) No
79. *Will the policy option affect the number of people exposed to noise or the levels to which they are exposed?* No.

Greenhouse Gas Impact Test

80. Any impacts on carbon emissions will be negligible.
81. Any impacts on greenhouse gas emissions will be negligible.

Health Impact Assessment

82. There are not expected to be adverse impacts from the proposed court closure.

Human Rights Impact Assessment

83. The initial screening of this impact test indicates there would be no significant, adverse impacts from this proposal. We have particularly considered the potential for an impact under Article 6 – right to a fair trial but do not consider that these proposals will prevent access to an independent and fair system of justice.

Justice Impact Test

84. No significant impacts are expected under this indicator

Rural Proofing Impact Test

85. No significant impacts are expected under this indicator.
86. *Service provision and availability:* The closure will transfer court services to Swansea Magistrates' Court with similar functions.
87. *Delivery costs:* No significant impacts are expected under this indicator.
88. *Accessibility and infrastructure:* We have estimated that following the closure of Neath's Magistrates' Court the average travel time will increase from 14 minutes to 25 minutes if travelling by car and 34 minutes to 59 minutes if travelling by public transport. The central estimate of the annual cost of this increased travel time is £49,000.
89. *Communications:* No significant impacts are expected under this indicator.
90. *Economies:* No significant impacts are expected under this indicator
91. *Disadvantage:* No significant impacts are expected under this indicator.

Small Firms Impact Test

92. For small businesses (including solicitors), we expect the impact to neutral or marginally positive as workload will be consolidated at a single location. In addition, the regeneration of Neath may afford new opportunities for small firms and improve the economic growth of the local area.

Sustainable Development Impact Test

Stage 1

1. Environmental Standards

1a. Are there any significant environmental impacts of your policy proposal (see Wider Environment Specific Impact Test)?
No
If the answer is 'yes' make a brief note of the impacts below:

1b. If you answered 'yes' to 1a., are the significant environmental impacts relevant to any of the legal and regulatory standards identified?
N/A
If the answer is 'yes' make a brief note of the relevant standards below:
N/A

If you answered 'yes' to 1b, have you:
1c. Notified the Government Department which has legal responsibility for the threshold and confirmed with them how to include the impacts appropriately in the analysis of costs and benefits?
N/A
1d. Informed ministers where necessary?
N/A
1e. Agreed mitigating or compensatory actions where appropriate?
N/A

2. Intergenerational impacts

2a. Have you assessed the distribution over time of the key monetised and non-monetised costs and benefits of your proposal? This assessment can be included in your Evidence Base or put in an annex.
No
N/A

2b. Have you identified any significant impacts which may disproportionately fall on future generations? If so, describe them briefly.

No

If you answered 'yes' to 2b. , have you:

2c. Informed ministers where necessary? If so, provide details.

N/A

2d. Agreed mitigating or compensatory actions where appropriate? Provide details.

N/A

Stage 2

3. The purpose of the second stage is to bring together the results from the impact assessment with those from the first stage of the SD test. The following questions are intended to reflect the uncertainties in the cost benefit analysis and help you consider how to proceed in the light of further evidence from the first stage of the SD test.

3a. Indicate in the appropriate box whether the balance of monetised costs and benefits is:

Strongly positive	Moderately positive	Roughly neutral / finely balanced	Moderately negative	Strongly negative
	x			

3b. Indicate in the appropriate box whether the balance of non-monetised costs and benefits is likely to be:

Strongly positive	Moderately positive	Roughly neutral / finely balanced	Moderately negative	Strongly negative
	x			

3c. Indicate in the appropriate box whether the results of the SD questions 1-3 are, on balance, likely to be:

Strongly positive	Moderately positive	Roughly neutral / finely balanced	Moderately negative	Strongly negative
		x		

3d. Indicate in the appropriate box whether, overall, the balance of the monetised and non-monetised costs and benefits and the sustainability issues is considered to be:

Strongly positive	Moderately positive	Roughly neutral / finely balanced	Moderately negative	Strongly negative
	x			

3e. Provide an explanation of the final result from 3d, explaining, for example, how you have compared monetised and non-monetised costs and benefits and how you have resolved any conflicts between the cost-benefit results and the SD results.

The only significant SD impact of the policy is the resulting reduction in carbon emissions, which has been calculated in terms of monetised and non-monetised costs as part of the Greenhouse Gas Impact Assessment. There will be a smaller, yet positive, impact on water consumption and waste production. On balance, it seems appropriate to record a 'moderately positive' SD impact. The impact will be reviewed again after the consultation period has closed.