

| | | | |
|--|---|--|--|
| Title: Impact Assessment on Her Majesty's Courts and Tribunals Service proposals on the future of Caerphilly Magistrates' Court and Abergavenny Magistrates' Court IA No: IA NUMBER Lead department or agency: Ministry of Justice Other departments or agencies: | Impact Assessment (IA) | | |
| | Date: 09/05/2014 | | |
| | Stage: Consultation | | |
| | Source of intervention: Domestic | | |
| | Type of measure: Other | | |
| Contact for enquiries: | | | |

| | |
|--|------------------------------------|
| Summary: Intervention and Options | RPC Opinion: Not Applicable |
|--|------------------------------------|

| 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, Two-Out? Measure qualifies as |
| £750,000 | | | No NA |

What is the problem under consideration? Why is government intervention necessary?
Since the new Newport Magistrates' Court opened in September 2013, Caerphilly Magistrates' Court and Abergavenny Magistrates' Court have become severely underutilised, and this is unlikely to change in the foreseeable future. There is sufficient spare capacity at Newport Magistrates' Court and Cwmbran Magistrates' Court to absorb the work that is currently listed at Caerphilly Magistrates' Court. No work is currently listed at Abergavenny Magistrates' Court. This means that HMCTS is currently spending money to operate courts which are not required from an operational perspective.

What are the policy objectives and the intended effects?
The objective is to reduce over-capacity in Gwent and deliver cost savings.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Option 1: Keep Caerphilly Magistrates' Court and Abergavenny Magistrates' Court operational.
Option 2: Close Caerphilly Magistrates' Court and Abergavenny Magistrates' Court.

The preferred option is Option 2 as this meets the policy objective. Closing only a single court would be possible but would leave spare capacity in the Gwent court estate and would not meet HMCTS' objective to make best possible use of taxpayer's money in the effective running of the courts.

| | | | | | |
|--|--|------------------------|--------------------------|------------------------|-------------------------|
| 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, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

| | | | | | |
|-------------------------|----------------------|------------------------|---------------------------------------|--------------------|--|
| Price Base Year 2014 | PV Base Year 2014 | 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 costs of Caerphilly Magistrates' Court and Abergavenny Magistrates' Court, without realising the potential annual savings of £50,000 and £30,000 respectively from the two courts.

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 | £0k | £0k | £0k |

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% |
|-------------------------------------|-------------------|------|

BUSINESS ASSESSMENT (Option 1)

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

Summary: Analysis & Evidence

Policy Option 2

Description:

FULL ECONOMIC ASSESSMENT

| | | | | | |
|-------------------------|----------------------|------------------------|---------------------------------------|-----------------------|--|
| Price Base Year 2014 | PV Base Year 2014 | Time Period Years 5 | Net Benefit (Present Value (PV)) (£m) | | |
| | | Low: | High: | Best Estimate: £0.75m | |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|---|-------------------------------|
| Low | | | |
| High | | | |
| Best Estimate | £90,000 | £0 | £90,000 |

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

The monetised costs comprise of decant costs (around £20,000), IT decommissioning costs (around £60,000) and disposal costs (around £10,000). There are no enabling works costs as Newport Magistrates' Court and Cwmbran Magistrates' Court already have sufficient capacity to meet the extra demand. We assume there is no net change in travel times as currently magistrates' work in Gwent is distributed to one of the four magistrates' courts based on availability and not on the location of the court.

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

Some HMCTS staff, magistrates and judges may experience higher costs from having to travel further to work.

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--|---|----------------------------------|
| Low | | | |
| High | | | |
| Best Estimate | £600,000 | £80,000 | £840,000 |

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

The transition benefits are a result of selling the property. We estimate the combined market value of Caerphilly Magistrates' Court and Abergavenny Magistrates' Court to be around £600,000, based on the value of the land. The ongoing benefits are a result of operating cost savings. The total benefit present value figure of £840,000 is obtained by adding the discounted transition benefit figure to the sum over four years of the discounted ongoing benefit figures.

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

Key assumptions/sensitivities/risks

Workload and court user waiting times are not expected to change.

Discount rate (%)

3.5%

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)

Background Information

Introduction

1. This Impact Assessment, which accompanies the Ministry of Justice consultation paper IA NUMBER, examines closure options for the future of Caerphilly Magistrates' Court and Abergavenny Magistrates' Court. The preferred option is to close Caerphilly Magistrates' Court and Abergavenny Magistrates' Court.

Rationale

2. Since the new Newport Magistrates' Court opened in September 2013, Caerphilly Magistrates' Court and Abergavenny Magistrates' Court have become severely underutilised, and this is unlikely to change in the foreseeable future. There is sufficient spare capacity in Gwent to absorb the work that is currently listed at Caerphilly Magistrates' Court. No work is currently listed at Abergavenny Magistrates' Court. This means that HMCTS is currently spending money to operate courts which are not required from an operational perspective.

Policy Objective and Scope

3. The objective is to reduce over-capacity in Gwent and deliver cost savings.

Policy Options

4. There are two policy options, labelled Option 1 and Option 2. Under Option 1 Caerphilly Magistrates' Court and Abergavenny Magistrates' Court remain operational, and under Option 2 Caerphilly Magistrates' Court and Abergavenny Magistrates' Court are closed.

Groups Affected

5. Other than HMCTS, the following people and organisations could potentially be affected by the implementation of Option 2:
 - *Court users*
 - *Magistrates and judiciary*
 - *MoJ*
 - *Police*
 - *Crown Prosecution Service*
 - *Probation (NOMS Wales)*
 - *PECS (Prison Escort Custody Service)*
 - *Youth Offending Service*
 - *Victim Support Services and Witness Service*
 - *Local businesses.*
6. The potential impacts on these groups are outlined below.

Utilisation

7. Utilisation is a measure of how much of a building's capacity is being used. For each building, it is defined as the total workload in hours divided by the theoretical capacity, assuming that each room can be used for 5 hours per day and 248 days per year. (Note that utilisation is measured against capacity rather than court schedules.)
8. At this point, we would usually provide utilisation figures for the closing courts for the previous financial year (2013/14). However, since the new Newport Magistrates' Court opened, most of the work that was carried out at Caerphilly Magistrates' Court and Abergavenny Magistrates' Court is now carried out at Newport Magistrates' Court. (In fact the local Justices' Issue Group has asked

that criminal work no longer be listed at Abergavenny Magistrates' Court at all). It would therefore be potentially misleading to provide utilisation figures for the whole of 2013/14 in this case.

9. The figures presented below are based on the work done between the opening of Newport Magistrates' Court on September 30 2013 and March 2014, calculated on an annualised basis (i.e. assuming those workload levels continue for the rest of the year):

| Court | Total Courtrooms | Notional Capacity (hours per year) | Workload (hours per year) | Utilisation |
|--|------------------|------------------------------------|---------------------------|-------------|
| Abergavenny | 2 | 2480 | 0 | 0% |
| Caerphilly | 3 | 3720 | 804 | 22% |
| Receiving Courts (Newport and Cwmbran) | 8 | 9920 | 6332 | 64% |

Principles of Cost Benefit Analysis

10. This Impact Assessment identifies as far as possible the impacts of the two options under consideration, with the aim of understanding what the net impact on society will be for each. It aims to provide a cost-benefit analysis in the broadest sense of the term, including both monetised and non-monetised costs and benefits. The geographical scope of this Impact Assessment is Gwent.

Monetised Impacts

Transition Costs

11. Under Option 2, HMCTS will incur the following one-off costs.
- *Decant costs.* These are costs associated with moving work, staff and equipment between sites. The total decant cost is estimated to be around £20,000 (£10,000 for Caerphilly and £10,000 for Abergavenny), including a 10% increase to allow for optimism bias.
 - *IT decommissioning costs.* These are costs associated with decommissioning the IT from the Caerphilly and Abergavenny courts. The total IT decommissioning cost is estimated to be around £60,000 (£30,000 for Caerphilly and £30,000 for Abergavenny), including a 20% increase to allow for optimism bias.
 - *Disposal costs.* These costs cover the legal fees and marketing required to sell Caerphilly Magistrates' Court and Abergavenny Magistrates' Court. The total disposal cost is estimated to be around £10,000 (£5,000 for Caerphilly and £5,000 for Abergavenny), including a 10% increase to allow for optimism bias.
 - *Enabling works costs.* These are costs associated with work that needs to be done to ensure the receiving court has sufficient capacity to accommodate the extra work. There are no enabling works costs in this case as Newport Magistrates' Court and Cwmbran Magistrates' Court have sufficient capacity to absorb the extra workload.
 - *Project costs.* These costs cover the extra staff and other resources required to carry out the project. There are expected to be negligible project costs (beyond those already captured above) as the closure is expected to be delivered as part of business as usual.

Ongoing Costs

12. Under Option 2, Newport Magistrates' Court and Cwmbran Magistrates' Court may experience a slight increase in some operating 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.
13. There are currently no HMCTS staff based at Caerphilly Magistrates' Court or Abergavenny Magistrates' Court. In fact there are no magistrates staff permanently based at any courts in Gwent as they are all based at Newport Crown Court, and travel on an ad-hoc basis to Caerphilly and Abergavenny.

Transition Benefits

14. We estimate the market value of Caerphilly Magistrates' Court to be around £450,000 and that of Abergavenny Magistrates' Court to be around £140,000, based on the value of the land and including a 10% reduction to allow for optimism bias.

Ongoing Benefits

15. We expect HMCTS to make operational savings totalling £80,000 per year (£50,000 for Caerphilly and £30,000 for Abergavenny), including a 10% reduction to allow for optimism bias. The total operational savings are made up of:
- *Lower fixed costs.* HMCTS currently pays £20,000 per year for each of the two courts 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. We assume all these fixed costs can be saved by closing Caerphilly Magistrates' Court and Abergavenny Magistrates' Court, less 10% to allow for optimism bias.
 - *Lower semi-variable costs.* HMCTS currently pays £110,000 for Caerphilly and £50,000 for Abergavenny 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 work to Newport Magistrates' Court and Cwmbran Magistrates' Court, we expect £40,000 will be saved annually from the work being concentrated in fewer locations (£30,000 from Caerphilly and £10,000 from Abergavenny), including a 10% reduction to allow for optimism bias.

Travel Time Impacts

16. The current practice in Gwent is to assign trials to the magistrates courts (in Newport, Cwmbran, Caerphilly and Abergavenny) based on the first available suitable court date rather than the location of the court. Thus, for example, residents of Caerphilly or Newport are required to travel to Cwmbran for certain hearings, whereas residents of Cwmbran are required to travel to Newport or Caerphilly for other hearings.
17. The impact of Option 2 on users of Magistrates' Courts facilities in Gwent is therefore difficult to quantify, as it is already common practice to travel to various courthouses within Gwent for hearings. Some residents of Gwent will experience longer journeys to court but others will not have to travel as far; it is assumed that the net impact across all residents is zero. Newport, Cwmbran, Caerphilly and Abergavenny are situated relatively close together, are joined by an excellent road network, and have good transport links, so the impact of increased travel times on most residents will be small.
18. In fact the actual impact is likely to be positive as more people live in Newport and Cwmbran than in Caerphilly and Abergavenny, and they will no longer ever have to travel to a court in Caerphilly or Abergavenny.

2.6 Summary of Monetised Impacts

19. The economic appraisal is conducted over 5 years starting in 2014/15. In present value terms, Option 2 has a total cost of around £90,000 and a total benefit of around £840,000, and therefore a net present value of around £750,000. A summary of the costs and benefits of Option 2 is shown in Table 1 below. (It is assumed that it takes a year for the benefits to start being realised.)

Table 1: Summary of monetised impacts of Option 2 (including optimism bias)

Net Position (Option 2 - Option 1)

Figures are £ real 2014 values

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|----------------------------------|-----------------|-----------------|----------------|----------------|----------------|
| Costs (excl VAT) | | | | | |
| Decant | £20,000 | | | | |
| IT Decommissioning | £60,000 | | | | |
| Disposal | £10,000 | | | | |
| Enabling Works | | | | | |
| Travel Time | | | | | |
| Total | £90,000 | | | | |
| NPV Costs (5yrs) | | | | | |
| | £90,000 | | | | |
| Benefits | | | | | |
| Market Value | | £600,000 | | | |
| Operating Cost Savings | | £80,000 | £80,000 | £80,000 | £80,000 |
| Total | | £680,000 | £80,000 | £80,000 | £80,000 |
| Discounted Total Benefits | | £660,000 | £80,000 | £80,000 | £70,000 |
| NPV Benefits (5yrs) | | | | | |
| | £840,000 | | | | |
| Net Benefit | -£90,000 | £680,000 | £80,000 | £80,000 | £80,000 |
| Discounted Net Benefit | -£90,000 | £660,000 | £80,000 | £80,000 | £70,000 |
| NPV (5yrs) | | | | | |
| | £750,000 | | | | |

Note: Figures are rounded; column totals may not match the sum of the individual values

2.6 Risks and Assumptions

20. The following assumptions were made in calculating the costs and benefits shown in Table 1 above.

- There will be no change in the volume of court cases (but see 'Sensitivity Tests' below) and no change in court user waiting times over the next five years.
- Judicial costs will remain unchanged under Option 2.

21. A number of the costs and benefits of Option 2 are uncertain. To account for the well attested tendency of project appraisers to be overly optimistic, optimism bias has been applied to the cost and benefit figures presented throughout this document. The values assumed are shown in Table 2 below.

Table 2: Optimism bias

| Cost / Benefit | Assumed Optimism Bias |
|-------------------------|-----------------------|
| Decant Cost | 10% |
| IT Decommissioning Cost | 20% |
| Disposal Cost | 10% |
| Enabling Works Cost | - |
| Land Value | 10% |
| Operating Cost Savings | 10% |

2.7 Sensitivity Tests

22. There is a risk that the court workload will increase. If the total 2013/14 workload increased by 5%, then, under Option 2, the combined utilisation of the courtrooms at Newport Magistrates' Court and Cwmbran Magistrates' Court would increase to 77%, and if the workload increased by 10% then the utilisation would increase to 81%. The relevant figures are summarised in Table 3 below.

Table 3: Sensitivity to workload volumes

| | Total Available Courtrooms (Newport and Cwmbran) | Capacity (hours per year) | Workload (hours per year) | Utilisation |
|------------------------|---|----------------------------------|----------------------------------|--------------------|
| Current workload | 8 | 9,920 | 7,288 | 73% |
| Current workload + 5% | 8 | 9,920 | 7,653 | 77% |
| Current workload + 10% | 8 | 9,920 | 8,017 | 81% |

23. Further increases in workload could be managed by exploiting inefficiencies in listing, by adding capacity (for example, additional rooms or extended sitting days), or by reallocating work across the local area e.g. hearing some magistrates work at Newport Crown Court.
24. In recent years court workloads have generally been in decline, so increases of the magnitude considered above are unlikely.

3. Non-Monetised Impacts

3.1 Non-Monetised Benefits to HMCTS

25. There is a substantial maintenance backlog at Caerphilly Magistrates' Court and Abergavenny Magistrates' Court. Caerphilly Magistrate's Court has a custody area that is non compliant with current Prison Escort and Custody Service regulations, a damaged ceiling in one courtroom and damp in another, among other issues. Abergavenny Magistrates' Court requires maintenance on the public lift, the boiler, the front porch and the car park.
26. Option 2 would avoid these maintenance costs. This has not been included as a monetised benefit because in the short term the maintenance could be delayed, but the user experience would suffer (see accompanying consultation paper for details).

3.2 Groups Affected

27. The potential impact of Option 2 on people and organisations other than HMCTS is summarised below. Due to the nature of the consultation process, we have been unable at this stage to directly consult the relevant organisations; the following sections are an initial assessment of the likely impacts and will be updated in the final version of this document in light of feedback received.
- *Court users.* The impact on court users is summarised under 'Travel Time Impacts' in the previous section.
 - *Magistrates and judiciary.* There may be a negative impact on magistrates and judges who currently work at Caerphilly Magistrates' Court and have to move to Newport Magistrates' Court or Cwmbran Magistrates' Court. Gwent is one Local Justice Area so no bench mergers are required.
 - *MoJ.* No impacts.
 - *Police.* There will a positive impact arising from police officers having to attend fewer sites.
 - *Crown Prosecution Service.* Minimal impacts, as there are office facilities at Newport Magistrates' Court.
 - *Probation.* As above.
 - *PECS (Prison Escort Custody Service).* There will be a positive impact as PECS contractors will no longer have to transport prisoners from Newport to hearings at Abergavenny and

Caerphilly. Furthermore, the new Newport Magistrates' Court is well equipped with prison to court video links.

- *Youth Offending Service*. No impacts.
- *Victim Support Services and Witness Service*. 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.
- *Local businesses*. There could be a negative impact on businesses that rely on the Caerphilly Magistrates' Court, particularly legal firms (it seems unlikely that any businesses rely on Abergavenny Magistrates' Court as no work is currently listed there). However, there are likely to be positive impacts for businesses near Newport Magistrates' Court and Cwmbran Magistrates' Court.

3.3 Equality Impacts

28. Under section 149 of the Equality Act 2010, 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.
29. In line with our responsibilities under the Equality Act 2010, we have considered, on the basis of the available evidence, the likely impacts of Option 2 on individuals with protected characteristics. In order to do this we have compared facilities at Caerphilly and Abergavenny Magistrates' Court with the facilities at Newport and Cwmbran Magistrates' Court, and have considered the journey times, cost and accessibility of public and private transport between Caerphilly, Newport, Abergavenny and Cwmbran.
30. As set out at in the accompanying consultation paper, Newport and Cwmbran Magistrates' Court are fully accessible to disabled people. Both courts provide superior facilities for victims, witnesses and other court users.
31. 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. 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.
32. As there are regular, affordable and accessible public transport links between Newport and Cwmbran and given that facilities at both courts are superior, we do not believe that the impact of the proposal to close Caerphilly and Abergavenny Magistrates Courts amounts to a particular or substantial disadvantage for those with protected characteristics. Therefore we consider the proposals and any resulting impacts will not amount to direct or indirect discrimination within the meaning of the Equality act 2010 and are a proportionate means of achieving the legitimate business aim of making more effective use of the Court Estate and reducing running costs.
33. Our initial assessment, based on the available information, is that it is unlikely that the proposals will give rise to harassment and victimisation within the meaning of the Equality Act 2010. We have also considered the extent to which the proposed changes are compatible with the need to promote equality of opportunity and consider that the proposed court closures do not undermine attainment of that objective. We also consider it very unlikely that the proposals will impact on the obligation to foster good relations between those who share a protected characteristic and those who don't.
34. We welcome feedback on this assessment.

3.4 Specific Impact Tests

35. The following specific impact tests have been conducted on Option 2.

- *Competition impact test.*
 1. Will the scheme affect the number of legal services providers?
No.
 2. Will the scheme affect the ability of suppliers to compete?
No.
 3. Will the scheme affect suppliers' incentives to compete vigorously?
No.

- *Wider environmental impact test.*

This impact test is on HM Courts and Tribunals Service proposals for the closure of Caerphilly Magistrates' Court and Abergavenny Magistrates' Court.

As this could have a potential impact on the environment it has been assessed using the checklist published by DEFRA (see <http://www.defra.gov.uk/corporate/about/how/policy-guidance/sd-impact/>); each major potential impact has been considered (excluding carbon emissions, which have been analysed in the Greenhouse Gas impact assessment).

4. Will the scheme be vulnerable to the predicted effects of climate change?

The proposal is recommending the closure of two buildings of roughly average size and in centres of lower population than that of proposed location, Newport.

HMCTS's courts are distributed over a geographically disparate area; these courts have not been chosen due to their coastal proximity or their vulnerability of flooding. There is an increased risk of flooding in Newport however, as a major town mitigation measures are likely to be put in place to minimise this risk.

All sites are covered by the department's Climate Change Adaptation Plan¹ and none have been identified of being at significant risk or vulnerable to the effects of climate change, which include extreme weather events, heat/drought and disruption to transportation. This has been referenced against the UK Climate Projections 09, using the medium emissions scenario. A range of mitigation measures are in place including condition surveys to include adaptation requirements and revaluation of sites in light of climate change impacts.

Therefore, for this proposal, there is no expected net increase in vulnerability to the predicted effects of climate change.

5. Will the scheme lead to a change in the financial costs or the environmental and health impacts of waste management?

Waste production is primarily linked to staff numbers (which will not change) rather than the size of the estate; therefore there will not be a significant impact. There will be a one-off rise in waste production when the buildings are vacated however, this will be disposed of sustainably as per WRAP guidelines. This one-off rise is likely to be offset by slightly lower waste production within the smaller estate. This will lead to a net positive impact (reduction) in costs relating to environmental services and waste management.

6. Will the scheme impact significantly on air quality?

Initial screening indicates there may be an increase in average journey times to court for some users as a result of the programme. However, others will experience reduced journey times, and any increase will not have a significant impact on air quality.

7. Will the scheme involve any material change to the appearance of the landscape or townscape?

Not as part of this consultation. Any further actions by developers will be subject to local planning permission.

8. Will the scheme change 1) the degree of water pollution 2) levels of abstraction of water or 3) exposure to flood risk?

¹ Issued March 2010; this now requires revision.

No.

9. Will the scheme change 1) the amount or variety of living species 2) the amount, variety or quality of ecosystems?

No.

10. Will the scheme affect the number of people exposed to noise or the levels to which they are exposed?

No.

- *Greenhouse gas impact test.*

11. Will the scheme result in increased greenhouse gas emissions?

No.

- *Health impact test.*

12. Will the scheme result in adverse health impacts?

No.

- *Human rights impact test.*

13. Will the scheme impact on human rights?

No.

- *Rural proofing impact test.*

This programme is part of the court closure programme which intends to implement the closure of courts/tribunals in England and Wales as part of the MoJ's estate rationalisation. This could potentially have an impact on the rural communities.

Defra defines settlements with a Census population of over 10,000 as *urban*, while the remainder are defined as one of three *rural* types: *town and fringe*, *village or hamlet and dispersed*. The majority of the courts/tribunals in the programme are in towns that would be defined as 'Urban' and therefore rural proofing will not apply.

For the few that fall within the rural definition using the checklist published by DEFRA (see below; <http://www.defra.gov.uk/corporate/about/how/policy-guidance/rural-proofing/>) each potential impact has been considered.

14. Will the scheme impact on service provision and availability?

The policy is recommending the centralisation of services. Local available will be affected, although no reduction should occur as the closure programme will transfer court/tribunal functions to nearby sites with similar functions.

15. Will the scheme impact on service delivery costs?

The cost of delivering the service is expected to decrease as the MoJ gains from economies of scale by utilising fewer resources more efficiently and centralisation.

16. Will the scheme impact on accessibility and infrastructure?

It is likely that travel duration will increase with the most increase likely to be in Wales however, the transport links are considered sufficient and journey times are expected to remain acceptable.

17. Will the scheme impact on communications?

The policy is unlikely to have an effect on communications and the use of a range of communication solutions will continue.

18. Will the scheme impact on the local economy?

While some negative effect is possible in the towns where courts/tribunals will close this is expected to be slight and the overall effect minimal as services are transferred to areas nearby.

19. Will the scheme impact on peoples' access to justice?

No.

- *Small firms impact test.*

20. Will the scheme impact on small firms in the region?

See above for the potential impact on local businesses.

- *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:

The policy will result in a small reduction in carbon emissions from the HMCS estate. The total amount HMCTS could reduce its annual emissions by, once two sites are disposed, is estimated to be 104 tCO₂, or 0.1% of HMCTS's total reported emissions.

Other environmental impacts are not deemed significant. Waste production and water consumption will reduce but only to a small degree (as they are both primarily linked to staff and court user numbers, rather than estate size). Almost all environmental effects are positive.

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.

Yes

The toolkit for the greenhouse gas impact assessment included a monetised and non-monetised cost-benefit analysis.

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.

No significant impact identified, but ministers are aware of the court closure proposal.

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

No significant impact identified. The SD impact test will be reviewed during the consultation period.

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. Although there are positive aspects, both in terms of SD and monetisation, given the size of the buildings and the fact this was previously part of a larger campaign it is now considered there will be a roughly neutral impact.