

<p><i>Title:</i> <b>Impact Assessment on Her Majesty's Courts and Tribunals Service proposals on the provision of courts services in England and Wales</b></p> <p><i>IA No:</i></p> <p><i>Lead department or agency:</i> <b>Ministry of Justice</b></p> <p><i>Other departments or agencies:</i></p>	Impact Assessment (IA)
	<b>Date:</b>
	<b>Stage:</b> Consultation
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Other
	<b>Contact for enquiries:</b>

<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b>
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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, One-Out?	Measure qualifies as
£200m	£m	£m	No	NA

**What is the problem under consideration? Why is government intervention necessary?**

The HMCTS hearing estate does not meet the strategic requirements of the organisation. This consultation seeks to address the current size and associated cost of the estate which is unsustainable in the current financial context. It proposes the closure of surplus capacity; buildings that are underutilised, in poor condition or with inadequate facilities. The consultation covers magistrates', county and crown courts along with tribunal hearing centres. The proposals aim to improve utilisation by moving work to sites with better facilities, which align with operational requirements. This will generate ongoing savings by reducing running costs and raise income through the disposal of surplus estate.

**What are the policy objectives and the intended effects?**

The objective of the proposed closures is to deliver an estate which meets the HMCTS reform estates principles, set out in the consultation document. The proposal will reduce surplus capacity to ensure the estate is aligned to operational requirements. It seeks to improve customer service by concentrating work in courts and tribunals with better facilities, maintaining access to justice. Savings will be through reduced running costs enabling HMCTS to continue to deliver a high quality service whilst reducing expenditure. Revenue will be generated through the disposal of court and tribunal estate.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

The following options have been considered:

Option 0: Do nothing (base case)

Option 1: Close sites in line with HMCTS principles, taking into account operational and geographical constraints

Option 1 is preferred as it best fits the strategic vision of the HMCTS estate and delivers monetary savings to the department. The proposals for closures have been agreed to be operationally viable, following consultations within HMCTS that incorporated both strategic and analytical evidence.

**Will the policy be reviewed?** It 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.	<b>Micro</b> Yes/No	<b>&lt; 20</b> Yes/No	<b>Small</b> Yes/No	<b>Medium</b> Yes/No	<b>Large</b> Yes/No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b>		<b>Non-traded:</b>

*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 2013	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: <b>£200</b>

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	-	3	-	-
High	-		-	-
Best Estimate	£51m		£2m	<b>£62m</b>

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

HMCTS would incur costs as a result of any enabling works (including ICT changes), works required to prepare closed courts for disposal, IT decommissioning costs, lease break costs, project costs, staff exit costs and transferring work (e.g. portage costs) from courts listed for closure. Courts that remain open will face additional costs each year by undertaking the workload of closed courts.

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

Court users and staff, judiciary, criminal justice system (CJS) partners (National Offender Management Services, Crown Prosecution Service and the police) and civil justice and tribunal partners located in rural areas may experience higher costs of having to travel further to court.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-	2	-	-
High	-		-	-
Best Estimate	£35m		£28m	<b>£262m</b>

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

Fewer buildings will mean that HMCTS benefits from reduced future running costs in rent, staff costs, IT costs, utilities, property services and maintenance, and other office expenditures. HMCTS will also receive revenue from estates sales.

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

Efficiencies will be achieved through listing as the work is concentrated in fewer courts. Users of the remaining estate may also make fewer journeys due to a smaller number of court buildings.

#### Key assumptions/sensitivities/risks

Discount rate (%)

3.5%

It is assumed that a proportion of operating and staff costs will be saved at closed sites. Workload is assumed to remain flat in the appraisal period. The value of enabling works are based on site surveys. The value of capital receipts from building sales are based on land valuations and may change at the time of disposal.

### 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

# Evidence Base

## Policy objective and scope of project

### Introduction

1. This Impact Assessment, which accompanies a Ministry of Justice consultation paper *Proposal on the provision of court and tribunal estate in England & Wales*, examines preliminary closure options for HMCTS courts and hearing centres in England and Wales. The aim of this policy is to improve the efficiency and cost effectiveness of the HMCTS estate ensuring it is aligned to operational needs.

### Rationale

2. In 2010 HMCS undertook a review of court estate under the Court Estates Review Programme (CERP). The review resulted in a consultation in June 2010 and a government response in December 2010 which confirmed the closure of 141 courts in a phase programme between April 2011 and September 2014. CERP was based on a set of national estates principles with the intended purpose of increasing court utilisation and reducing cost. The closures in the CERP programme were restricted to magistrates' and county courts.
3. The Merger of HMCS and the Tribunals Service in April 2011 resulted in a larger combined estate, with a significant level overcapacity. Concentrating work into a consolidated number of larger buildings would enable HMCTS to use the estate more intelligently and flexibly, releasing significant savings through reduced overall estate running cost and a significantly lower overall headcount across an optimised footprint. This Estates Reform Project will improve utilisation in the estate and address overcapacity without relying on changes in IT or business processes.

### Policy Objective

4. The project will meet objectives across three areas: value for money; access to justice; and long term efficiency.
  - *Value for money* to the taxpayer will be achieved by:
    - a) Reducing the current and future cost of running the estate
    - b) Maximising capital receipts from disposals, to allow for reinvestment in the estate
  - *Access to justice* will be maintained by ensuring that any court to be considered for closure is within a reasonable distance of a retained court by public transport.
  - *Enabling efficiency* in the longer term will be achieved by:
    - a) Hearing same amount of cases within a rationalised estate
    - b) Maintaining capacity within estates
    - c) Keeping larger, easily upgradeable buildings

### Scope

5. The hearing estate will be considered as a whole for this project. Specifically, the scope of the project will include the following:
  - Seek improvements in utilisation by rationalisation of the current estate
  - Consider all jurisdictions
  - Consider all regions
6. The following will be out of scope:
  - Closures of buildings that could be used as large multi-jurisdictional hearing centres in any future operating model developed by HMCTS;
  - Closures that would be dependent on very significant policy or procedural changes to court procedures or operational policy;

- Administrative buildings in the HMCTS estate, except where they may receive some administrative functions or staff from hearing centres that are closed as part of the project;
  - No business process improvements or IT upgrades should be considered, except for the implementation of current standard processes and IT in different locations.
7. All locations that hear work (both courts and tribunals) are referred to as “buildings” throughout this document. Any location that support the function of these hearing sites (e.g. administrative staff) have been excluded and are not included in the total number of “buildings”.

### **HMCTS Principles**

8. Decisions taken as part of early estate Reform must be consistent with the following principles:

#### *Delivering Value for Money*

9. To reduce the current and future cost of running the estate.
10. To maximise the capital receipts from surplus estate for reinvestment in HMCTS.

#### *Ensuring Access to Justice*

11. To ensure continued access to justice when assessing the impact of possible closures on both professional and lay court and tribunal users, taking into account journey times for users, the challenges of rural access and any mitigating action, including modern ICT and more flexible listing, when journeys will be significantly increased;
12. To take into account the needs of users and in particular, victims, witnesses and those who are vulnerable.
13. To support the requirements of other agencies such as the Crown Prosecution Service (CPS), Social Services, Police Forces and the Children and Family Court Advisory and Support Service (CAFCASS).

#### *Enabling Efficiency in the longer term*

14. To reduce the reliance on buildings with poor facilities and to remove from the estate buildings that are difficult and expensive either to improve or to upgrade;
15. To move towards an estate with buildings which are larger and facilitate the more efficient and flexible listing of court and tribunal business whilst also giving users more certainty as to when their cases will be heard;
16. To increase the ability to use the estate flexibly across the criminal jurisdiction and separately across the Civil, Family and Tribunal (CFT) jurisdictions;
17. To move towards an estate that provides dedicated hearing centres, seeking opportunities to concentrate back office functions, where they can be carried out most efficiently;
18. To improve the efficient use of the estate by seeking to improve whole system efficiency, taking advantage of modernised communication methods (wi-fi and video links) and adopting business processes to increase efficiency and effectiveness;
19. To increase the efficient use of the estate wherever possible irrespective of current administrative boundaries.

### **Affected groups**

20. Groups potentially affected by these proposals include government departments, court users and other organisations linked to the criminal justice system, as indicated below:
- Ministry of Justice (MoJ) and arms length bodies, including:
    - Her Majesty’s Courts and Tribunals Service
    - National Offender Management Service (NOMS) including Prisoner Escort Contract Services (PECS)
    - Legal Aid Agency

- Sentencing Council
- The Judiciary (including the Magistracy)
- Justices' Clerks' Society
- Other government departments, including:
  - Home Office
  - HM Treasury
- Other court users, including:
  - Barristers/ Solicitors / Chartered Institute of Legal Executives
  - Victims of crime
  - Witnesses of crimes
  - Offenders
- Other organisations, including:
  - Crown Prosecution Service (CPS)
  - Police Forces
  - Parole Board
  - Local Authorities
- Members of the public
- Local businesses

### **Economic rationale for intervention**

21. The conventional economic rationale for 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.
22. This proposal on changes to the provision of courts services in England and Wales aim to address the objective of efficiency. There is surplus capacity, with some courts underutilised, leading to an inefficient provision of courts services. This does not represent best value for money for the taxpayer. A reduction in the size of the HMCTS estate would address this inefficiency, ensuring that the capacity available is in line with demand.

### **Principles underpinning cost benefit analysis**

23. 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 changes to the HMCTS estate. Where policy details of the proposals are yet to be finalised, this Impact Assessment contains no detailed quantification of costs and benefits. We will update our estimate of the impact on costs and benefits of those proposals as these are developed further.
24. 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.
25. The geographical scope of this Impact Assessment is England and Wales.
26. There are a small number of areas for which there is not sufficient data to quantify the costs and benefits. In these cases we have identified what we believe the costs and benefits to be without producing a quantitative estimate.

## Policy options

### Policy Option 0: Do nothing

27. The “do nothing” option sets out the assumptions the Government has made about future impacts if no action is taken on the provision of courts and tribunals services in England and Wales.
28. HMCTS currently operate out of 460 courts and tribunals buildings (here after referred to as buildings) across England and Wales. The current HMCTS estate is described in Table 1.

**Table 1: The Current HMCTS Estate**

	Crown	Magistrates	County	Tribunal	Combined	Total
London	9	24	15	11	1	60
Midlands	6	35	7	9	12	69
North East	4	31	12	15	8	70
North West	5	29	10	9	10	63
South East	11	39	22	13	12	97
South West	2	28	5	8	15	58
Wales	4	18	10	5	6	43
Total	41	204	81	70	64	460

Excludes tribunals buildings based in Scotland and the Supreme Court Group

### Policy Option 1: Rationalise estate in agreement with HMCTS regional Delivery Directors

29. Rationalise HMCTS estate in line with principles established by the HMCTS Board. This option includes proposals relating to 125 buildings.
30. The consultation paper includes proposals to close 91 buildings. In addition the consultation includes information on 31 integrations, which do not require consultation, as well as 3 buildings that have been previously consulted upon and approved for closure.
31. Of the 125 buildings, 9 are changes of function (a complete change of jurisdiction or a combined court closing the county court function) and in the South West only one of North Avon Magistrates’ Court or Bath Magistrates’ and County Court will be closed. There would therefore be a maximum of 115 buildings that are no longer required. This list has been agreed with regional Delivery Directors, incorporating both strategic and analytical evidence. The list of proposed building closures and integrations can be found in the accompanying consultation document.
32. Table 2 illustrates the proposed list of buildings no longer required by HMCTS, sorted by type of hearing estate and region.

**Table 2: Proposed buildings no longer required by HMCTS under Option 1**

	Crown	Magistrates <sup>1</sup>	County	Tribunal	Combined	Total
London	0	5	3	1	0	9
Midlands	0	11	4	1	1	17
North East	0	5	5	6	0	16
North West	0	10	6	0	1	17
South East	1	11	5	5	2	24
South West	0	7	3	5	2	17
Wales	1	6	5	1	2	15
Total	2	55	31	19	8	115

Excludes tribunals buildings based in Scotland and the Supreme Court Group

33. Of the buildings listed in Wales in Table 2, 3 have been previously consulted upon and approved for closure; Abergavenny Magistrates Court and Caerphilly Magistrates Court were approved for

closure on 9 July. Rhyl County Court closure is dependent on Prestatyn Magistrates' Court being approved for closure within this consultation.

34. All of the analysis presented in this document includes these sites
35. The nine changes of functions are in the following regions; London (1), Midlands (1), North West (3), South East (2), South West (1) and Wales (1).

## Costs and benefits of options

36. The following costs and benefits have been considered as potential impacts under Option 1.

### Costs

#### Transitional costs (monetised)

37. For HMCTS, transitional costs will be incurred due to:

- *Enabling works*: This includes hearing room re-configuration at buildings that receive work, to increase capacity or improve facilities to accommodate the expected increase in workload
- *Disposal costs*: Costs associated with disposal of freehold buildings, such as paying for legal services, valuations, advertising, and estate agent fees
- *Dilapidations*: Costs of returning a leasehold site to its original condition, through repairs or refit
- *Decant costs*: Costs associated with decanting work, staff and equipment (such as portage of documents) between buildings
- *Lease exit payments*: The total amount of remaining rent payments on lease agreements
- *Project costs*: Economic cost of staff and resources devoted to delivering this Estate Reform Project

#### Transitional costs (un-monetised)

38. 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 places of work, particularly as some work practices may differ slightly between courts. While this point is noted its impact is anticipated to be negligible.
- Redundancies: As a result of the proposals, some staff will transfer to new places of work whilst others will take voluntary or compulsory redundancy. There will be a financial cost to government of these redundancies. It is assumed that staff leaving the organisation will find alternative employment and that redundancy payments fully compensate staff for the expected duration of unemployment experienced before finding a new job. Therefore these costs are not monetised in the economic appraisal.

#### Ongoing costs (monetised)

##### *HMCTS workload*

39. Ongoing monetised costs will be incurred due to additional workload-related costs at buildings receiving work, such as printing and postage. There will also be a transfer of judicial costs (including the magistracy) from closing buildings to receiving buildings, but we do not quantify this as this is a transfer of cost.

#### Ongoing costs (un-monetised)

##### *Travel time costs for users and other agencies*

40. For intermittent users of magistrates' and county courts - victims, witnesses, some members of the general public and commercial firms – journey costs may increase as a result of closure programme if alternative 'receiving' courts are located further away from the closing court. For some – solicitors, barristers, Crown Prosecution Service (CPS), Children and Family Court Advisory and Support Service (CAFCASS) and Police – these costs (including time and travel) may be offset to some extent by better strategic planning of court activities in fewer and larger court centres meaning that some users may need to make fewer journeys to court. A travel time model has been used to analyse the travel time impacts of these proposals (see "Travel Time Impacts"). Non-monetised impacts on other agencies are outlined below:



### *Prison Escort and Custody Services (PECS)*

- PECS covers the movement of prisoners between police custody suites, courts and prisons. Remandees will, in common with other court users, now have their cases listed at other court buildings. If this new court building is substantially further away from the prison the remandee is remanded to, this has the potential to impose a cost to NOMS and a longer journey time for the remandee being transported.
- Whilst a number of remandees will need to be transported slightly further to court buildings, this will be offset by other remandees being held slightly closer to the court buildings that would now hear their cases, possibly resulting in a small impact overall. There will be fewer journeys required overall, due to a smaller number of remaining hearing estates following this reform programme.

### *National Probation Service (NPS)*

- In addition to changes in journey times, there will be an impact on the NPS where they share office space with HMCTS. Where possible, probation staff may be accommodated in alternative HMCTS buildings (which will include costs of moving staff, documents and IT) although in some cases, probation may need to find other alternative accommodation. The Ministry of Justice will seek to minimise negative impacts on NPS staff.
- Where a court with facilities for contact with offenders is to close, a replacement facility would need to be identified, either in the receiving court or at a nearby location. This could result in additional costs being incurred. Probation staff not actually based within HMCTS buildings that are being consulted for closure, but who travel to these buildings, may incur fewer journeys due to the consolidation HMCTS hearing estate. In some cases staff may travel further if the alternative receiving court is substantially further away.
- We will seek to work with the NPS to understand the impacts of these changes during the consultation period. Any new future delivery model for probation services is likely to result in changes to the location of NPS staff irrespective of court closures.

### *Children and Family Court Advisory and Support Service (CAFCASS)*

- CAFCASS staff may have longer travel times to court with associated increased costs. This may be offset by shorter travel times where more remote courts are closed and work transferred to courts closer to CAFCASS locations.

### *Crown Prosecution Service (CPS) and Police*

- CPS staff and the Police may have longer travel times to court with associated increased costs. This may be offset by shorter travel times where more remote courts are closed and work transferred to courts closer to CPS or Police locations.

### *Local business*

41. Businesses that operate in areas near closing courts may see a fall in activity, but this may be offset by an increase in activity for businesses located near receiving buildings.

## **Benefits**

### **Transitional Benefits (monetised)**

42. For HMCTS transitional benefits include:

- *Revenue from sale of property:* The disposal value of all freehold buildings listed for closure has been estimated at £35 million for the preferred option. The eventual disposal value outturn of these courts will only be known at the point of sale and will depend on prevailing macroeconomic conditions.

### **Ongoing Benefits (monetised)**

43. For HMCTS, ongoing benefits include:

- *Savings from lower operating costs:* Such as utilities, rents, property services, maintenance, office expenditure and similar items. The net total savings are estimated to be £24 million per year for the preferred option. This figure excludes VAT for the economic appraisal. See Table 3 for more details.
- *Savings in staff costs:* Due to reduced duplication in court staffing roles at receiving buildings. The net total savings are estimated to be £6 million per year for the preferred option. This figure excludes VAT for the economic appraisal. See Table 3 for more details.

### **Ongoing Benefits (un-monetised)**

44. For HMCTS, on-going non-monetised benefits include:

- Operational and other cost savings due to a strategy of retaining larger courts in strategic locations only
- Centralising back office functions
- Co-locating with other jurisdictions or CJS partners - it is anticipated that consolidating court functions across the estate will help drive scale economies benefiting court users both in terms of higher standards of access to justice at better value for money.

45. The proposed closures will also reduce the need for services provided by dock officers, resulting in (un-monetised) savings to NOMS.

46. Further details on the assumptions for monetised costs and benefits and the full costs and benefits for each Policy Option can be found below.

## Economic appraisal

### Policy Option 0: Do nothing

47. The “do nothing” option is the baseline against which other options are appraised. There are no costs or benefits for this option. The baseline figures are taken from the 2013/14 full year financial outturn and inflated to 2015/16 prices using the GDP deflator. Due to the uncertainty of workload in the medium and long term, we assume no change in workload volumes over the appraisal period.

### Policy Option 1: Rationalise estate in agreement with HMCTS regional Delivery Directors

48. Table 3 gives the estimated costs and benefits in real terms, assuming the closure of 115 identified courts and tribunals. Steady state savings would be around £30 million a year under this option (2015/16 prices, excluding VAT) with a 10-year NPV of £200 million.

**Table 3: Estimated costs and benefits for Option 1**

£m, 2015/16 prices, excl VAT & VEDs, incl OB

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
<b>Transition Costs</b>	<b>-£10</b>	<b>-£40</b>	<b>-£1</b>			<b>-£51</b>
Enabling Works	-£5	-£27				-£33
Disposal	-£0.2	-£1				-£2
Dilapidation	-£0.2	-£1				-£1
Decant	-£0.3	-£3				-£3
Lease Break	-£0.2	-£3				-£3
IT Decommissioning	-£1	-£3				-£4
Project costs	-£3	-£1	-£1			-£6
<b>Transition Benefits</b>		<b>£5</b>	<b>£30</b>			<b>£35</b>
Capital receipts (buildings sales)		£5	£30			£35
<b>On-going benefits</b>	<b>£1</b>	<b>£14</b>	<b>£30</b>	<b>£30</b>	<b>£30</b>	<b>£106</b>
Building cost savings (rents, utilities)	£0.5	£11	£24	£24	£24	£85
Staff cost savings (salaries)	£0.1	£2	£6	£6	£6	£20
Workload cost savings (net efficiencies)	£0.0	£0.1	£0.1	£0.1	£0.1	£0
<b>Net benefits</b>	<b>-£9</b>	<b>-£21</b>	<b>£59</b>	<b>£30</b>	<b>£30</b>	<b>£90</b>
Resource	-£6	-£9	£29	£30	£30	£75
Capital	-£3	-£13	£30			£15
<b>10-year NPV (£m, 2015/16 prices)</b>			<b>£200</b>			

### Risks and Assumptions

49. 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. There is a risk that longer journey times impact service delivery (leading to an increase in waiting times) or trial effectiveness rates (leading to an increase in the number of cracked or ineffective trials). In addition, an increase in caseload could generate backlogs or increased waiting times.

50. The analysis is based on actual financial data from the HMCTS Financial outturn 2013/14 (inflated to 2015/16 prices using the GDP deflator) and workload data (hearing hours) in 2013/14.

51. Savings accrue from the cessation of operating costs at closed courts. These are partly offset by increases in cost due to additional work at receiving buildings. The analysis assumes that HMCTS is able to achieve efficiencies of at least 88% of semi-variable costs (such as utilities and facilities management) and 30% of variable costs (such as printing and postage). There may be additional savings generated due to the transfer of work if receiving courts are more efficient than closing courts (on a cost per hearing hour basis). In effect, receiving buildings either integrate the new work into their existing (more efficient) processes, or maintain the current cost of processing the work they receive from closing buildings. If the cost of taking on new work at existing buildings is higher than expected, the overall benefit of the preferred option may be lower than stated.
52. The exact phasing of the closures is currently being developed by HMCTS and will depend on operational and commercial achievability. It is assumed that under Option 1 all closures will take place by April 2017. It is assumed that enabling works at receiving courts will occur at the same time as the exit date of the closing court, but in practice it may take place beforehand.
53. Capital receipts (sale of freehold property) are realised one year after the building has been exited, to account for the timing of the sales process.
54. The analysis assumes that HMCTS staff made redundant as a result of the Estate Reform Programme are able to find alternative employment. Therefore redundancy payments are treated as an economic transfer only.
55. It is assumed that buildings can achieve alternative use (therefore transitional gains are reasonable). The assumed asset values are based on valuation of the estate by Ministry of Justice. If asset values are lower than expected, the overall benefit of the preferred option may be lower than stated. In the case of exiting lease hold properties, we assume HMCTS bears a transitional cost equal to the amount of remaining payments.
56. Project costs cover the staff cost and expenses of the project team. If delivering the project takes longer or requires more resources than expected, the overall benefits of each option may be lower than estimated.
57. Judicial costs are assumed to remain unchanged.
58. Net present values are shown over a 10-year appraisal period and in real terms.
59. There is assumed to be no impact on the ability to hear cases in Crown and magistrates' courts, and therefore no impact on the prison and remand population.
60. Costs for 2013/14 have been inflated using the March 2015 OBR GDP deflator to estimate 2015/16 costs. All figures are in 2015/16 prices.
61. The assumptions for the monetised costs and benefits are summarised in Table 4 below.

**Table 4: Monetised costs and benefits (without optimism bias)**

Category	Description	Assumed cost/benefit
Transitional cost	Enabling works	£29m (2015/16 prices, excluding VAT)
	Building exit costs: -Disposal cost - sale -Dilapidation cost  -Decant cost -Lease exit payments	Includes (unless adjusted by region): For Freehold buildings only: £7,000 per site plus 3% of assumed site value (incl VAT) For Leasehold buildings only (not including MOTO leases): Data taken from a site by site register, on average £60 per sqm £7,500 per courtroom (incl VAT) The amount of remaining rent payments
	Project costs	£6m (2015/16 prices, excluding VAT)
	Ongoing cost	Additional workload-related costs at buildings receiving work, such as printing and postage.
Transitional benefit	Disposal of property	Valuations of freehold property are based on estimated land values
Ongoing benefit	Reduction in operating costs	All rent and business rates will be saved at closing buildings. A proportion of utilities, maintenance and staff costs will also be saved at closing buildings.
	Reduction in staff costs	Savings from staff reductions due to duplication of roles in receiving courts

62. 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 5.

**Table 5: Optimism bias summary**

Category	Type	Cost/benefit	Assumed optimism bias
Costs	Transitional	Enabling works (capital)	20%
		Enabling works (resource)	8%
		Building exit costs:	
		Disposal cost	0%
		Dilapidations	8%
		Decant costs	8%
	Lease Break Payment	8%	
		Project costs (staff)	0%
Ongoing	Operating cost increases at receiving buildings (staff)	0%	
	Operating cost increases at receiving buildings (non-staff)	0%	
	Increased travel time	0%	
Benefits	Transitional	Sale of land/buildings	-20%
	Ongoing	Operating cost savings at closing buildings (staff)	-5%
		Operating cost savings at closing buildings (non-staff)	-5%
		Transfer of cost savings to receiving site (staff)	-30%
		Transfer of cost savings to receiving site (non-staff)	-30%

## Scenarios and sensitivities

63. This section covers key sensitivities on the preferred option (Option 1).

### *Transitional benefits from sale of land/buildings*

64. The total amount of capital receipts is uncertain due to uncertainty about the economic conditions in which disposals will be made in. The base case uses the most update information on likely market values of the freehold buildings included in the consultation.

65. Each 10% reduction in the amount of received from the sale of buildings will decrease the NPV by £3m. However we do have more confidence that the assumed baseline valuations can be realised in London and the South East.

### *Efficiency savings surrounding operating cost*

66. Buildings that are receiving additional work as a result of the proposals will see an increase in costs as a results of increased use of utilities, higher maintenance costs and higher variable costs (such as printing, postage and telephony). But this will be off set as the closing site will no longer incur these costs. If the receiving site is more efficient then the additional cost will be smaller than the costs saved through closure.

67. It is estimated that efficiency savings amount to £0.1m a year. If these efficiency savings are not realised, then the overall 10-year NPV will decrease by £1m

### *Enabling works*

68. Enabling work costs – the investment at the receiving court to accommodate the work from closing courts – represents the largest transition cost. However it is subject to an amount of uncertainty as all costs based on MOJ survey estimates, and the true amount of investment required will only be realised once the procurement process has begun.

69. The total enabling work costs for the preferred option is £33m and a 10% increase in enabling works will decrease the 10-year NPV by £3m.

## *Conclusion*

70. The sensitivity analysis illustrates that Option 1 could still deliver a high positive NPV, despite these areas of uncertainty.

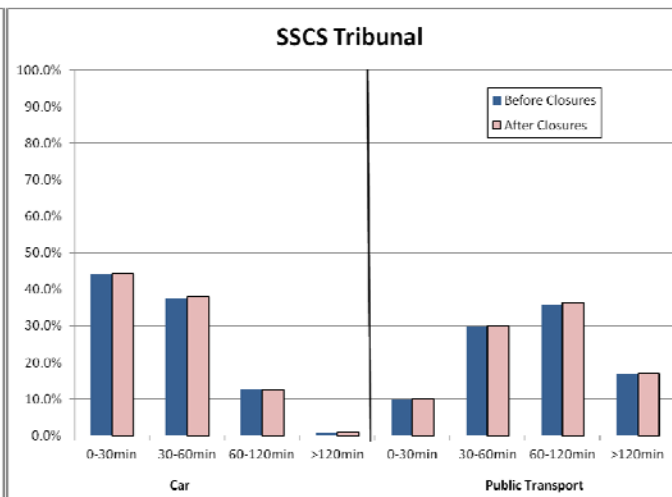
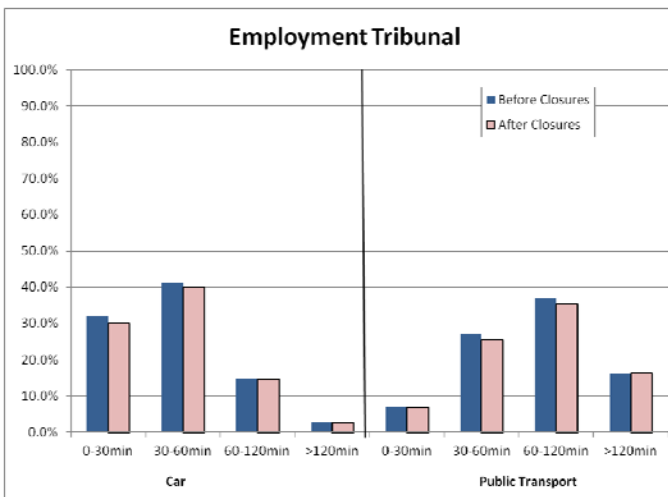
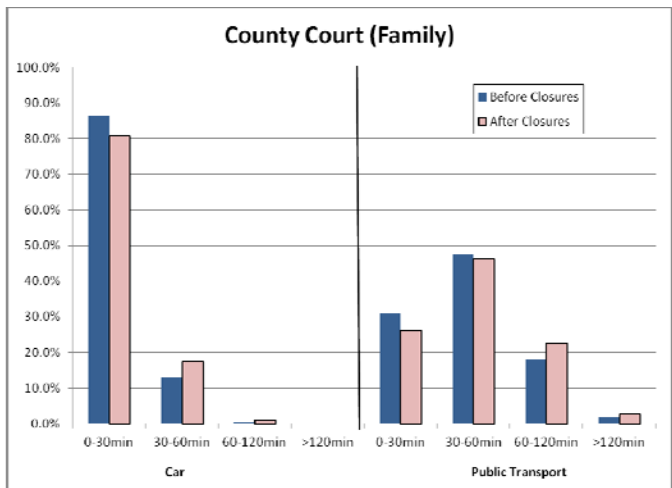
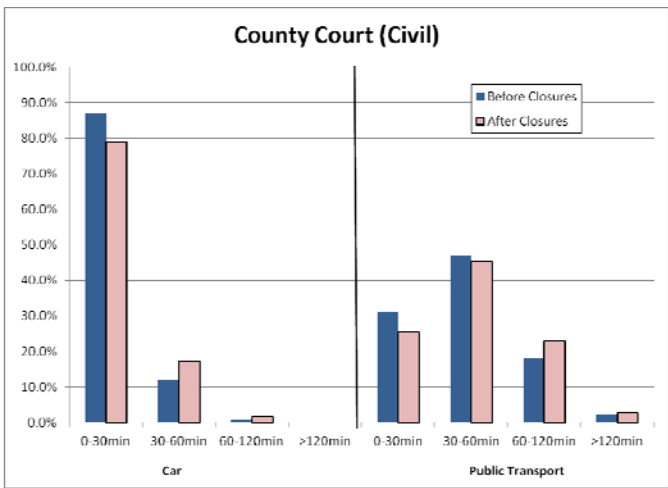
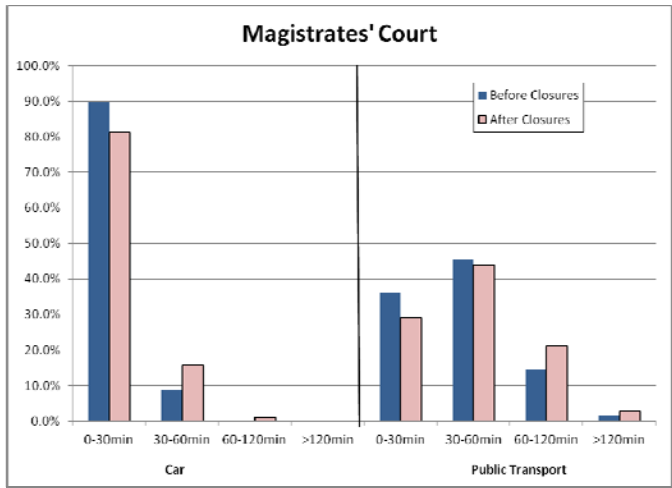
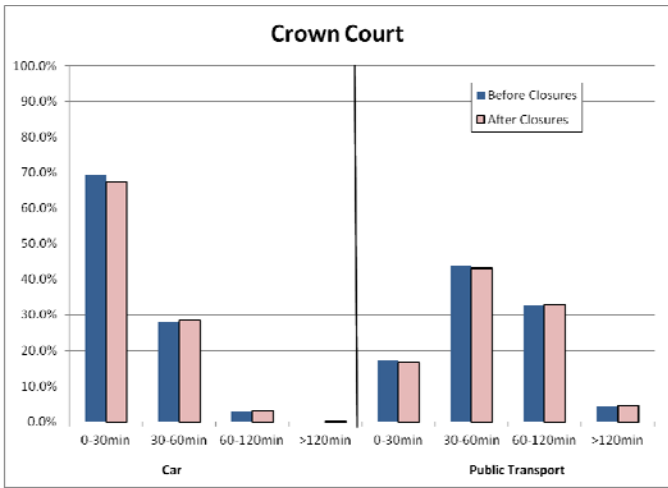
## Travel time impacts

71. One of the key impacts of the Estate Reform Programme will be an increased travel time to court/tribunal for potential court users. As their local court closes court users may have to travel further to attend a hearing. We have therefore carried out some modelling of court user travel times to allow us to evaluate this impact.
72. A model has been built to assess travel times from each Lower Super Output Area (LSOA) as it is not feasible to calculate travel times from each individual address in England & Wales. These are areas defined by the Office of National Statistics (ONS) that mostly contain 1,000-2,000 people. We therefore calculate travel times from the centre of each LSOA to each of their local courts/tribunals (magistrates' court, Crown court, county court, employment tribunal and Social Security and Child Support (SSCS) tribunal) and weight these according to 2011 census data.
73. We calculate travel times by both car and public transport using the Transport Direct Journey Planner tool<sup>1</sup>. These journeys are calculated assuming an individual goes to court to arrive at 10am and leaves again at 5pm. If there is no public transport for both the outward and return journey we assume that there is no public transport available. This is however likely to be a pessimistic view as in some cases the lack of journey could be a failure of Journey Planner to find the route.
74. While this modelling should give a fairly accurate representation of the travel time impact there are inevitably some limitations. We have mapped each LSOA to the local court that appeared to be most appropriate. However, this is only our best estimate and may not be correct in all cases. The mapping will also vary depending on the case type while we have only modelled one set of case types for each jurisdiction and have excluded satellite venues. Finally, the travel distance may vary by type of court user - civil users are more likely to visit their local court, while victims and witnesses may need to travel further beyond their nearest local court.
75. We model the change in travel times following closure of the local court to the alternative 'receiving court' as proposed by HMCTS regional Delivery Directors. At a national level (illustrated in the charts below), there is an increase in customers' travel times to most court/tribunal types. The biggest impact is for magistrates' courts where around 7% of the working age population (~2.5m people) are no longer within 30 minutes travel time by public transport, with a similar amount now being more than 60 minutes away. However 29% remain within 30 minutes of their closest court (more than 80% by car). There is a smaller impact on Crown and county courts and a negligible impact for tribunals.
76. In some cases there are a number of journeys that are missing travel time data from the Journey Planner tool, which varies between regions and jurisdiction. In most cases this is between 0% and 5% of all journeys modelled and up to around 50% of some tribunals in the Midlands region. We have estimated travel times for these journeys using the next nearest court building within the same local area, e.g. replacing Birmingham Centre City House with Birmingham Civil Justice Centre. Where no alternative courts existed in the local area, we use average regional travel speeds by car and by public transport and distances to compute their travel times, e.g. for Rochdale.

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<sup>1</sup> All figures are subject to Transport Direct Terms and Conditions (<http://www.transportdirect.info/Web2/About/TermsConditions.aspx>)

**Charts 1-6: National impact of closures on travel times by jurisdiction**





**Table 6: Summary of national impact of closures on travel times by jurisdiction**

<b>Access by car</b>	Before changes		After changes	
	0-60min	0-120min	0-60min	0-120min
Crown Courts	97%	100%	96%	99%
Magistrates' Courts	99%	100%	98%	99%
County Courts	99%	100%	97%	99%
Tribunals	83%	98%	83%	98%

<b>Access by public transport</b>	Before changes		After changes	
	0-60min	0-120min	0-60min	0-120min
Crown Courts	61%	94%	60%	93%
Magistrates' Courts	82%	97%	73%	95%
County Courts	78%	96%	72%	94%
Tribunals	40%	79%	39%	79%

77. Travel impacts for all tribunals in Table 6 were calculated using an unweighted average of employment tribunal and SSCS tribunal travel times.
78. These national figures do not show significant impacts at the regional level either because more courts are being closed in some regions or because the region is more sparsely populated. Regional impacts are shown in **Annex A**. London for example does not experience particularly large increases in travel times as there is a good public transport system making it relatively easy to get to a different court. Wales, on the other hand, sees the biggest impact. As it is less densely populated and so contains fewer existing courts, any closures are likely to mean bigger increases in journey times after closures.
79. At an even more local level there will be a much more diverse picture. Those living in the catchment area of a court that is closing will see an impact on travel times as these people will need to travel further to the next court. Travel time impacts will vary depending on the individual court in question. Those living in the catchment area of closing magistrates' courts will see their average public journey travel time increase by around 35 minutes under the preferred option. However, the majority of the population will be completely unaffected by the closures (91% for magistrates', 98% for Crown, 92% for county civil, 94% for county family, 99% for employment tribunals and 99% for SSCS tribunals).

## Equality impacts

80. Section 149 of the Equality Act 2010 (“the EA Act”) requires Ministers and the Department, when exercising their functions, to have ‘due regard’ to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the EA Act;
  - Advance equality of opportunity between different groups (those who share a relevant protected characteristic and those who do not); and
  - Foster good relations between different groups (those who share a relevant protected characteristic and those who do not).
81. Paying ‘due regard’ needs to be considered against the nine “protected characteristics” under the EA Act – namely race, sex, disability, sexual orientation, religion and belief, age, marriage and civil partnership, gender reassignment, pregnancy and maternity.
82. The Ministry of Justice (MoJ) has a legal duty to consider how the proposed policy proposals are likely to impact on the protected characteristics and take proportionate steps to mitigate or justify the most negative ones and advance the positive ones.

### *Direct Discrimination*

83. Our initial assessment is that the policy is not directly discriminatory within the meaning of the EA Act as it applies equally to all persons affected by this HMCTS Estates Reform Project irrespective of whether or not they have a protected characteristic; we do not consider that the policy proposal would result in people being treated less favourably because of the protected characteristic.

### *Indirect Discrimination*

84. Amongst court users, some groups of people with protected characteristics, as explained below, are over-represented by the proposals. However, even if it were established that in some cases (for example, the length of journey time to court) these effects constituted a particular disadvantage, implementation of the reforms represents a proportionate response to meeting the strategic needs of the organisation.
85. Our approach has been to identify which groups of people with protected characteristics are impacted by the proposals, at a national and regional level, and compare them to the court user population as whole. This approach allows us to identify whether any particular groups of people will be particularly disadvantaged by the proposals. Due to limitations in the available data on HMCTS users, we have made the assumption that they are representative of the general population (England and Wales) from which they are drawn.
86. We have assessed the available data on the characteristics of sex, age, disability, race and religion. Our current assessment is that nationally, there is some over-representation of those from a White background in areas local to the Crown courts (94%), whose closures are being consulted upon when compared to the general population (86%). There is also some over-representation of those from a Muslim and Asian background in areas local combined courts (15% compared to 7%, and 12% compared to 5%, respectively). We have presented a summary of our regional analysis in Annex B.
87. The evidence set out in Table 6 suggests the closures will not have disproportionate impacts for people with the protected characteristics of sex, age and disability. Furthermore we do not consider that the closures will have a greater impact on these particular groups when compared to the national population as a whole. Nonetheless we will continue to assess the possibility that the closures will discriminate against these groups, paying particular regard to any evidence of discrimination and/or equality impacts identified in the responses to consultation.
88. Due to limitations in the available data we have been unable to assess impacts on the remaining protected characteristics of sexual orientation, gender reassignment, marriage and civil partnership and pregnancy and maternity. Having considered the impact of the proposals on the groups for which limited data is available, we have not identified any illegal direct or indirect discrimination arising from the planned closures. Nonetheless, we will continue to assess the impacts, paying

particular regard to any evidence of discrimination and/or equality impacts identified in the responses to consultation.

89. The information set out in the Travel Time Impacts section (see Charts 1-6 above) demonstrates that the majority of people living in the areas affected by court closures will be within an acceptable travelling distance of the courts that work is being transferred to. We do however acknowledge that a small number of people will face longer journeys to the new courts which could also lead to knock on effects such as non-appearance in court for some cases.

#### *Discrimination arising from disability and duty to make reasonable adjustments*

90. In so far as this policy extends to disabled court users, we believe that the policy is proportionate, having regard to its aim. It remains important to make reasonable adjustments for people of disability to ensure appropriate support is given.
91. Even though the proportion of disabled people affected by the proposals is broadly in line with the proportion of disabled people in the population as a whole, the need to travel further (either by car or by public transport) is likely to have greater impacts for people with specific disabilities such as those with limited mobility. Similarly, although there is no data to suggest that there are more older people or pregnant women in the court user population than the general population, increased travel may have greater impacts for those groups. Those impacts can be ameliorated, to some degree, by some of the mitigating measures identified below. For example, the greater availability of on line information may reduce the need to travel to courts. Additionally, concentrating resources on larger court centres may enable those centres to have enhanced facilities for disabled people and those with children.
92. The potential for greater impacts for disabled and older people and pregnant women has been treated as a significant factor when assessing the proportionality of the proposals and will be reconsidered before any final decision is taken.

#### *Harassment and victimisation*

93. We do not consider there to be a risk of harassment or victimisation as a result of these proposals.

#### *Advancing equality of opportunity*

94. Consideration has been given to how these proposals impact on the duty to advance equality of opportunity by meeting the needs of court users who share a particular characteristic, where those needs are different from the need of those who do not share that particular characteristic. Reducing the reliance on HMCTS buildings with poor facilities to take advantage of a more modernised estate with better communication methods will help to generate a positive impact on all users, especially people with disabilities.

#### *Fostering good relations*

95. Consideration has been given to this objective that indicates it is unlikely to be of particular relevance to the proposals.

### **Court users – national impacts**

96. We have explored the likely equality impacts on court users at a national and regional level by drawing comparisons between the populations local to the proposed closures and the court user population as whole.
97. No comprehensive information is held on the protected characteristics of HMCTS users. In this assessment, we have assumed that all court users are representative of the general population from which they are drawn, using data from the 2011 Census. We have compared the protected characteristics of this population with the populations in London boroughs, district or unitary authorities to the impacted courts, by court function.
98. At a national level, the characteristics of those living local to courts whose closures are being consulted on are broadly similar to that of the general population of potential court users (as illustrated in Table 6 below). The once exception to this is the greater effect of Combine court closures on the Asian and Muslim population. The reason for this is the closure of a combined court in Birmingham, which is both densely populated (the court potentially serves more people) and has

a high Asian and Muslim population. In each instance of court closure, due weight will be given to local characteristics.

**Table 7: The protected characteristics of those impacted by the proposals, national population comparison:**

		Local population					National population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		2	55	31	19	8	115
<b>Gender</b>	Male	49%	49%	49%	49%	49%	49%
	Female	51%	51%	51%	51%	51%	51%
<b>Age</b>	0-15	19%	19%	19%	18%	21%	19%
	16-64	63%	64%	65%	67%	64%	65%
	65+	18%	17%	17%	15%	15%	17%
<b>Disability</b>	Disability	18%	19%	19%	19%	19%	18%
	No disability	82%	81%	81%	81%	81%	82%
<b>Race</b>	White	94%	89%	88%	88%	75%	86%
	Mixed	1%	2%	2%	2%	3%	2%
	Asian	3%	5%	5%	4%	15%	7%
	Black	1%	3%	3%	4%	5%	3%
	Other	1%	1%	1%	2%	2%	2%
<b>Religion</b>	Christian	62%	62%	61%	58%	54%	59%
	Buddhist	0%	0%	0%	1%	0%	0%
	Hindu	0%	1%	1%	1%	1%	1%
	Jewish	0%	0%	0%	0%	0%	0%
	Muslim	2%	4%	4%	4%	13%	5%
	Sikh	0%	1%	0%	0%	2%	1%
	Other religion	0%	0%	0%	0%	0%	0%
	No religion	27%	25%	25%	30%	23%	25%
	Not stated	7%	7%	8%	7%	7%	7%

99. A summary of our assessment of equality impacts at a regional level is presented in **Annex B**. It shows that although in general the impact on regions is consistent with the nationwide impact, there are a instances where the impact is greater due to local demographics (i.e. on a smaller scale than regionally)

### **Defendants, victims and witnesses**

100. The Ministry of Justice publications *Race and the Criminal Justice System 2012* and *Women and the Criminal Justice System 2013* show the race and gender profile of court users and those in the Criminal Justice system. They show that men and those from a Black ethnic group over-represented amongst defendants in the criminal courts when compared to the general population from which they are drawn. Data for those sentenced in both the Crown and magistrates' courts in 2012 to 2013 confirm that:

- Men are over-represented amongst those sentenced to immediate custody compared to the general population aged 10 years and older (92% compared to 49%)
- Those from the Black ethnic group are also over-represented amongst those sentenced compared to the general population aged 10 years and older (8% compared to 3%)

101. There is no comprehensive source of data on the protected characteristics of victims and witnesses who may use the criminal courts. However, the Crime Survey for England and Wales (2013/14) shows that the following groups of people are over-represented as victims of crime when compared to all those surveyed:
- Those aged 16 to 24 (25% of all victims compared to 12% of all those surveyed)
  - 19% of Non-White adults have been a victim of crime, compared to 17% of White adults.
102. Whilst groups of people sharing particular protected characteristics may be over-represented amongst victims, we are unable to quantify whether such over-representation extends to victims and witnesses who use the criminal courts. Conclusions on how different groups of victims and witnesses may be impacted by the proposals therefore remain tentative.

### **Impact on magistrates**

103. HMCTS HR data show that magistrates are older and more likely to be of White ethnicity than the general population of England and Wales from which they are drawn. Data for 31 March 2011 confirm that:
- Younger magistrates are under-represented: 18% of serving magistrates were 49 or under, 30% were aged 50-59 and 52% aged 60 and over. Figures for the general population (aged 18-70) are 66%, 18% and 16% respectively.
  - Those of Black, Asian and Minority Ethnic (BAME) ethnicity were similarly under-represented: 8% of serving magistrates in England and Wales declared themselves to be from a BAME background. This compares with the most recent estimate that BAME groups represent 14% of the general population (all ages).
  - Disabled magistrates were also under-represented: 5% of serving magistrates in England and Wales consider themselves to have a disability, whilst 18% of the general population (all ages) consider themselves to have a long-term health problem or disability that limits daily activity a lot or a little. The differences in the definitions of disability are acknowledged.
  - In line with the general population 51% of serving magistrates in England and Wales were female.

### **Other impacted groups**

104. Other groups potentially impacted by the proposed closures include the judiciary and legal professionals. Statistics from the Judicial Office<sup>2</sup> show that male judges, those of White ethnicity and those aged 50 years and older are over-represented compared to the general population. The practising bar and practising solicitors are more diverse, though men remain over-represented in both professions<sup>3,4</sup>.
105. With regards to other HMCTS staff, equality assessments will be carried out by HMCTS HR at the Business Unit level and the impact on protected characteristics will be fully assessed once the impact on individuals at each site under Option 1 has been assigned.

### **Mitigations**

106. We recognise that as courts close we need to continue to modernise and improve the way we deliver front line services. We also need to continue to provide reasonable adjustments for court users to ensure access to justice is maintained. There are a number of mitigations that we are either considering (or are already in place) that will help to minimise the impact of court closures on court users, including:
- All guidance material, together with information about particular processes, are made available online through Gov.uk and the Justice website. This would include: the location, directions to and

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<sup>2</sup> <http://www.judiciary.gov.uk/publications-and-reports/statistics>

<sup>3</sup> <http://www.barcouncil.org.uk/about-the-bar/facts-and-figures/statistics/>

<sup>4</sup> <http://www.lawsociety.org.uk/representation/research-trends/annual-statistical-reports/>

available facilities of the relevant court or tribunal, mediation, how to make a claim, how to appeal, and how to make a complaint. In addition these webbuildings provide useful links and signposts users to related webbuildings such as: Resolution, National Family Mediation, Community Legal Advice, Citizens advice Bureau, Consumer Direct, Ofcom and Ofgem amongst others. Public information is reviewed as necessary.

- Work is currently being undertaken to modernise the delivery of face to face services in the Civil and Family Courts. Of particular relevance this work aims to:
  - Signpost users to appropriate sources of information.
  - Increase usage of online services.
  - Avoid unnecessary journeys to court for customers.
- Provision of business and contact centres for some services (e.g. County Court Money Claims Centre) mean that services can be accessed by post and phone until the hearing (if a hearing is required).
- Online services, such as Money Claims Online and Possession Claims Online allow online access to services up to the hearing stage (if required).
- Alternative Dispute Resolution is promoted where appropriate which reduces reliance on court hearings
- Reasonable disability adjustments are undertaken in courts in accordance with the existing Reasonable disability adjustments policy. Guidance is available to all staff, including a central advice point.
- Video links for criminal courts are used as follows:
  - Police witnesses can use live links to give evidence in trials. These links operate in nine Criminal Justice System (CJS) areas, with more expected to be set up this year.
  - Virtual courts are set up in four areas for preliminary hearings. Defendants appear from the police station at the magistrates' court by video link.
  - Prison to court video links allow defendants to appear from custody in magistrates' courts and the Crown Court.
  - Additional video links are within the court to allow vulnerable witnesses to give evidence without facing the defendant.
  - Later starts times can be considered for hearings if a customer notifies the hearing centre that travel is problematic.

## Conclusions

107. The majority of the people living in the areas affected by the court closures will be within an acceptable travelling distance of the court where the work is transferred to. This means that most individuals will still be able to reasonable journeys to court to attend hearings, including by public transport. In exceptional cases start times of hearings may be delayed to allow later attendance due to travel difficulties but this would be considered on a case by case basis. The travel time modelling indicates that after the proposed closures, on average 93% of the population will still be able to travel to their nearest court in under one hour by car and 59% by public transport.
108. Although increased journeys have the potential to impact some people with protected characteristics, we consider it unlikely that this will result in a particular or substantial disadvantage to most court users given the limited number of occasions they will access the courts and tribunals services. Many of the services traditionally accessed by face to face visits to court are being offered online. Some court hearings can also be conducted via telephone or video link and court users are being offered local alternatives to court hearings (mediation). All of these measures are reducing the need to travel to court buildings to access HMCTS services.
109. For those that still need to attend courts, reasonable disability adjustments are offered and other measures such as later court hearing start times will minimise impacts for those with transport difficulties.

110. In many instances enhanced facilities and services are provided at the receiving courts. Overall therefore we consider that the proposed estate reforms and any resulting impacts are a proportionate means of achieving the legitimate aim of an affordable, efficient court estate.

## Specific Impact Tests

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

### *Competition assessment*

112. We do not anticipate a material impact on competition as a result of the court closure programme. 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

113. Indirectly, there may be a small increase in costs associated with certain court users as a result of having to travel further to their nearest court. However, it is likely that some or all of these costs can be offset by the benefits of a smaller and more strategic estate, whereby legal services providers will be better able to manage their activities across a more strategically planned estate.

### *Wider Environmental Impact Test*

114. There are not expected to be adverse impacts on air quality, water quality and quantity, flood risk, biodiversity, landscape or noise. Using the checklist published by DEFRA (<http://www.defra.gov.uk/corporate/about/how/policy-guidance/sd-impact/>) each major potential impact has been considered.

115. *Will the policy option be vulnerable to the predicted effects of climate change?* The policy is recommending the closure of buildings which are, on average, smaller in size and in centres of lower population than those that will remain open. As the courts/tribunals are distributed over a geographically disparate area these courts/tribunals have not been chosen due to their coastal proximity or their vulnerability of flooding. The courts/tribunals are also not planned for demolition and their disposal will have no overall effect on the environment. All buildings are also covered by the department's Climate Change Adaption Plan and none have been identified of being at risk or vulnerable to the effects of climate change.

116. *Will the policy option 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 rather than the size of the estate; therefore there will not be any 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.

117. *Will the policy option impact significantly on air quality?* Initial screening indicates there may be an increase in average journeys times to court as a result of this programme. However, any increase will not have a significant impact on air quality and travel times may be offset by fewer journeys to a better strategically planned estate.

118. *Will the policy option involve any material change to the appearance of the landscape or townscape?* No. None of these buildings are for planned demolition.

119. *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.

120. *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

121. *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*

122. There are two main channels through which the court closure programme has an impact on carbon emissions:



- the reduction in energy as a result of closing courts (net of additional energy required for courts taking on additional judicial responsibilities), and
- the additional travel necessary for courts users as a results of the closure programme (net of potentially fewer journeys for more frequent court users as a result of a better strategically planned estate).

123. The policy is not thought to have a substantial impact on greenhouse gas emissions.

#### *Health Impact Assessment*

124. There are not expected to be adverse impacts from the proposed court closures.

#### *Human Rights Impact Assessment*

125. The initial screening of this impact test indicates there would be no breach of the European Convention on Human Right resulting 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*

126. The main impact assessment details monetised and un-monetised costs and benefits to the justice system.

#### *Rural Proofing Impact Test*

127. This proposal could potentially have an impact on rural communities. DEFRA defines settlements with a Census population of over 10,000 are *urban*, while the remainder are defined as one of three rural types: *town and fringe*, *village or hamlet* and *dispersed*. Although the majority of the proposed courts and tribunal are in towns that would be defined as "urban", they may have users who reside in rural areas and we have therefore considered the potential impacts using the checklist published by DEFRA (<http://www.defra.gov.uk/corporate/about/how/policy-guidance/rural-proofing/>).

Consultations with regional HMCTS Delivery Directors have paid due regard to those in rural areas who will need to travel further than others to access court services.

128. *Service provision and availability:* The policy is recommending the centralisation of services. Local availability will be affected, although no reduction should occur as the closure programme will transfer court/tribunal functions to nearby buildings with similar functions.

129. *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 through centralisation.

130. *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 and are unlikely to have an impact on individual users which means that they are unlikely to attend court.

131. The travel time impacts are set out in the travel time section in this impact assessment (see "Travel time impacts"), and further details on the travel time impact are available in the consultation paper.

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

133. *Economies:* 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.

134. *Disadvantage:* No significant impacts are expected under this indicator.

#### *Small Firms Impact Test*

135. For small businesses (including solicitors), there may be a small increase in time and travel costs due to the additional travel necessary to conduct business at their nearest court. However, some or all of this could be offset by fewer journeys to court as court business is better strategically planned.

*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:
N/A

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
This impact assessment includes monetised and non-monetised cost-benefit analysis over a 10-year appraisal period.

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
	<b>x</b>			

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
		<b>x</b>		

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
		<b>x</b>		

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
	<b>x</b>			

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 SD impact of the policy is the resulting reduction in carbon emissions, produced by HMCTS estates. This may be offset by the increase in travel times to alternative court buildings, but this in turn maybe reduced by the need for fewer number of journeys to a rationalised court estate. There will be a smaller, yet positive, impact on water consumption and waste production at closing buildings, despite one-off waste production during dilapidations and disposals at some buildings. On balance, it seems appropriate to record a 'moderately positive' SD impact. The impact will be reviewed again after the consultation period has closed.

## **Review of the Policy**

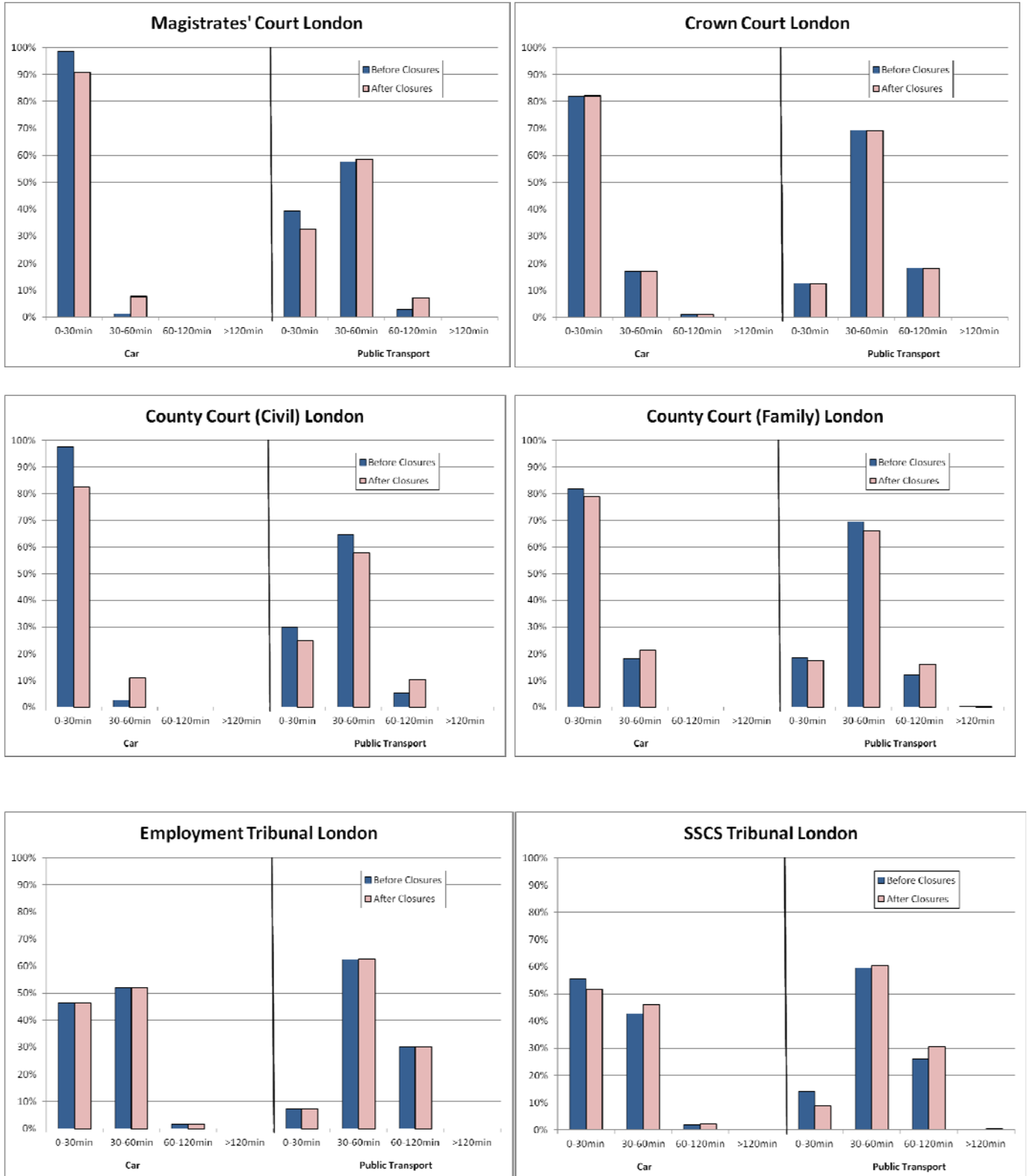
136. This policy will not be separately reviewed but will be part of HMCTS continuous reviews of the capacity of its hearing estate to make sure it meets operational requirements, under the HMCTS principle of ensuring access to Justice, delivering value for money and enabling efficiency in the longer term.

# Annex A: Regional impact of court closures

## A1: Impact of London Closures

137. The majority of proposed closures in London are magistrates' courts. The proportion of the population who are within 60 minutes public transport time from their nearest magistrates' court falls from 97% to 91%.

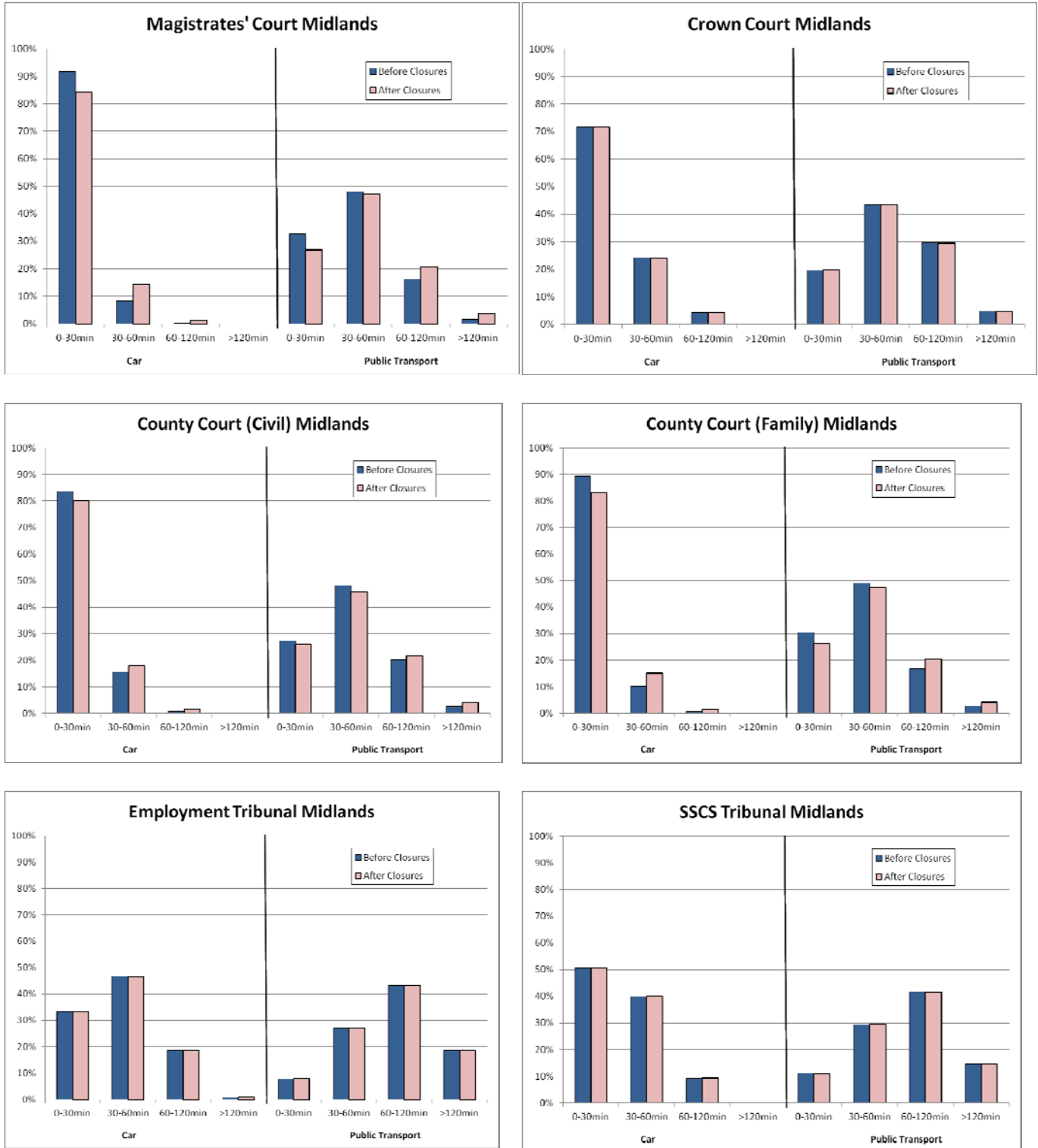
Charts A.01-A.06: London impact of closures on travel times by jurisdiction



**A2: Impact of Midlands Closures**

138. The most significant changes are in magistrates' and county courts. In particular, for magistrates' courts, 7% of the population are no longer within 60 minutes public transport time (falling from 81% to 74%) and 8% are no longer within 30 minutes drive time (falling from 92% to 84%).

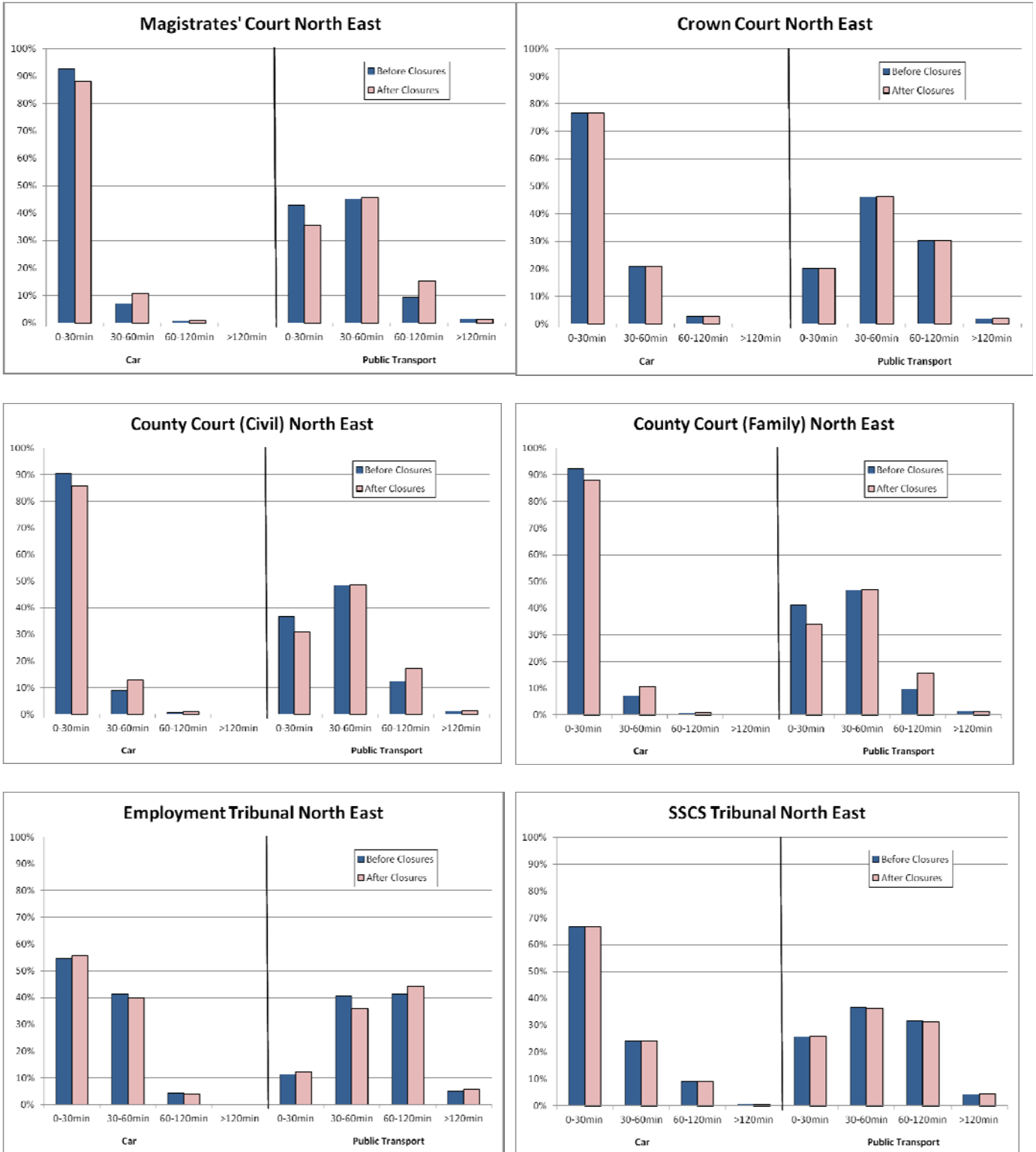
**Charts A.07-A.12: Midlands impact of closures on travel times by jurisdiction**



### A3: Impact of North East Closures

139. The proportion of the population within 60 minutes from their allocated magistrates' court by public transit falls from 88% to 81% and the proportion within 30 minutes drive time falls from 92% to 88%.

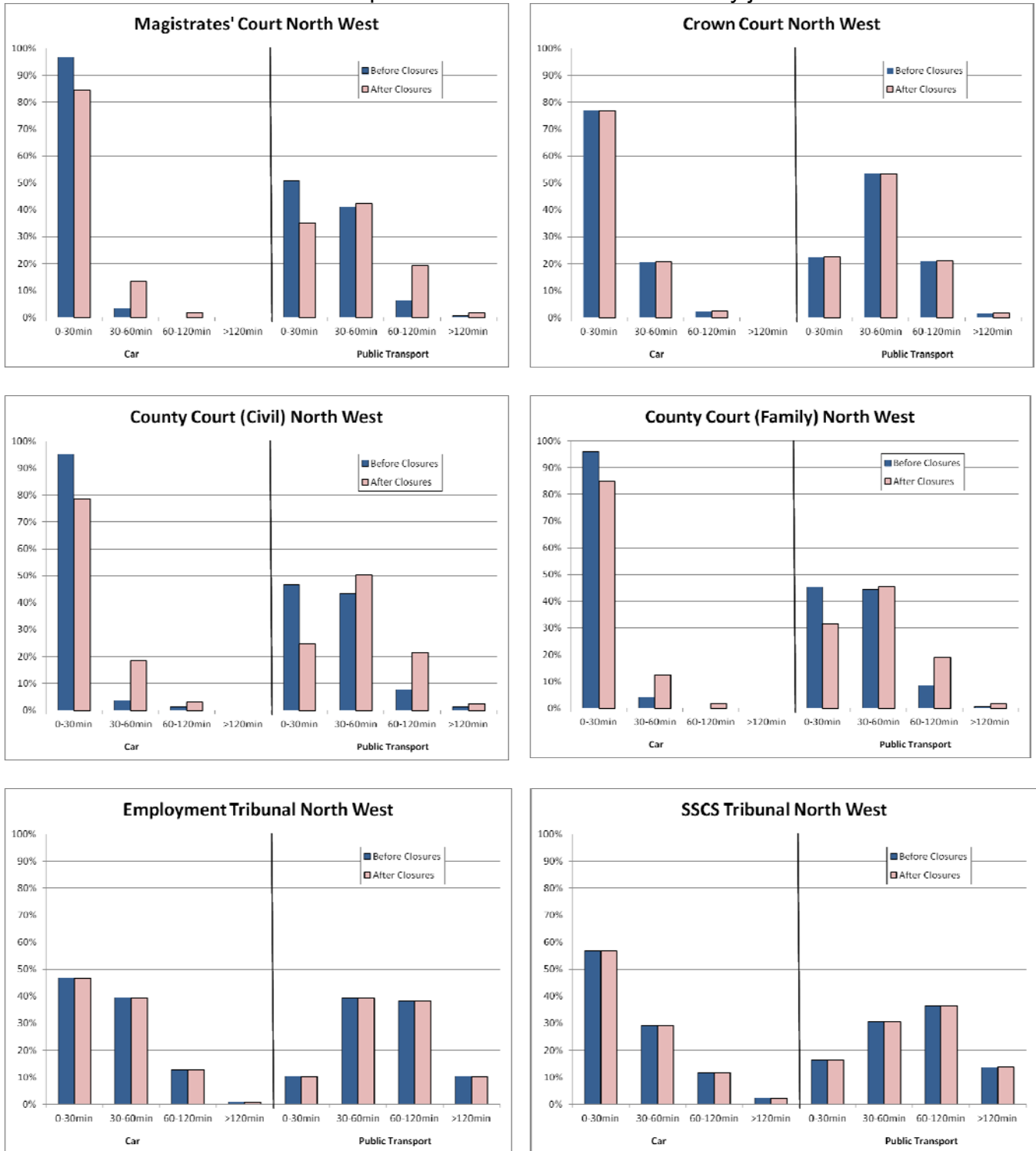
Charts A.13-A.18: North East impact of closures on travel times by jurisdiction



**A4: Impact of North West Closures**

140. The North West sees the biggest travel time impact in magistrates' courts under the proposals. 16% of the population is no longer within 30 minutes public transport time (a reduction from 51% to 35%) though the majority of the population is still within 60 minutes (78%). County courts also see a comparable increase in travel times though less than magistrates' courts.

Charts A.19-A.24: North West impact of closures on travel times by jurisdiction

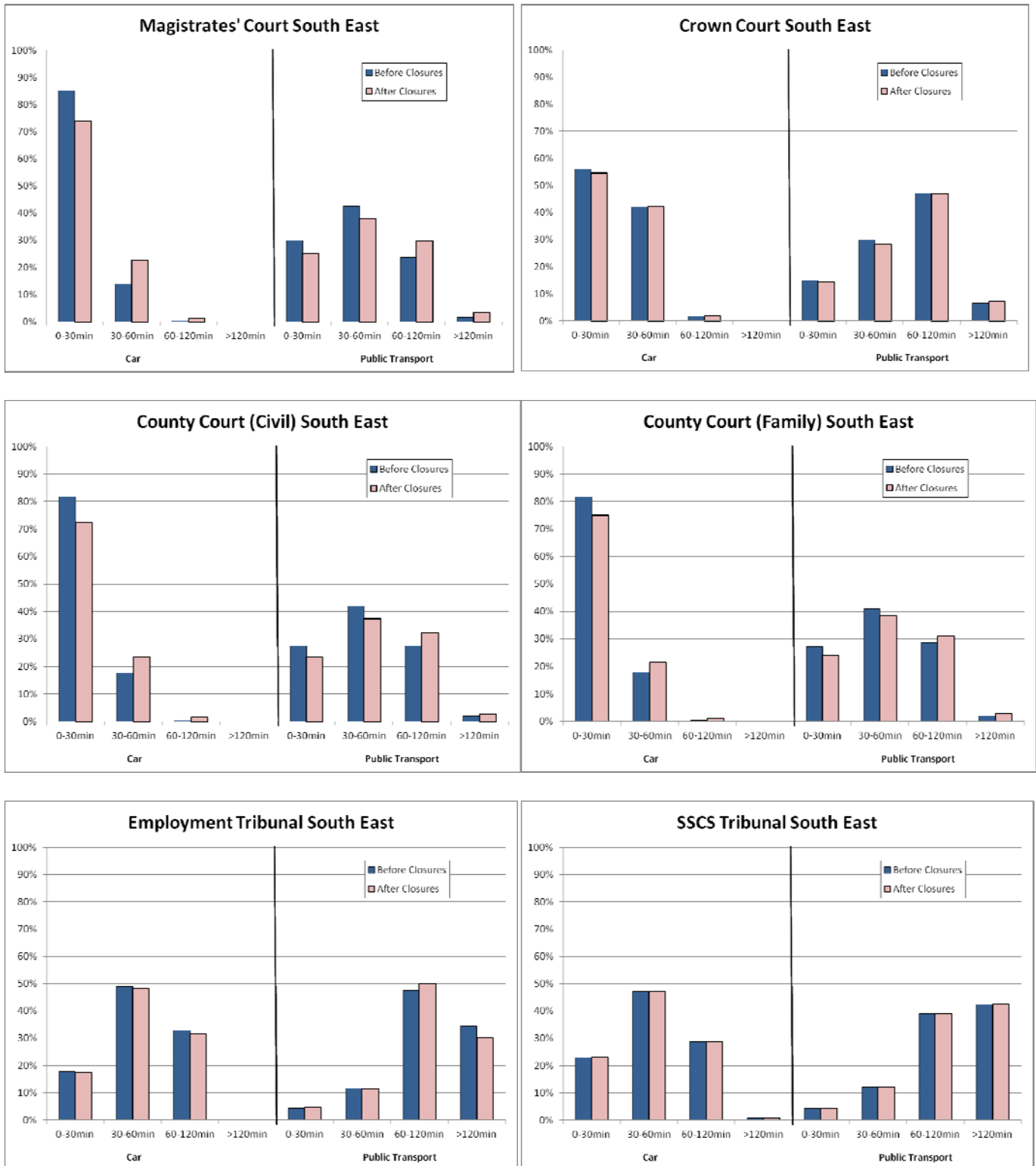




**A5: Impact of South East Closures**

141. In the South East the proposed closures affect all court types though there is no large increase in any particular court type. The travel time to SCS tribunals is practically unchanged.

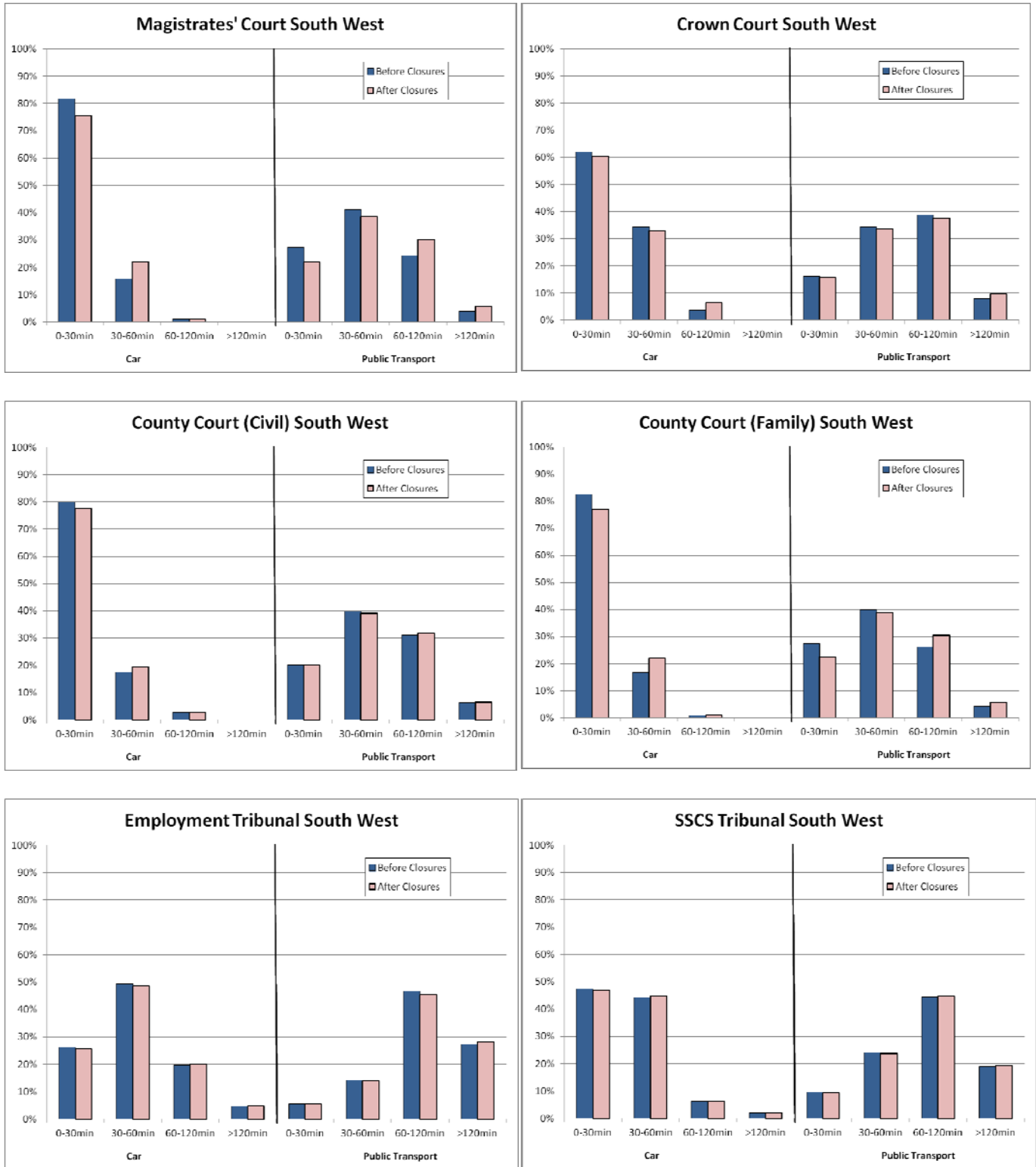
**Charts A.25-A.30: South East impact of closures on travel times by jurisdiction**



**A6: Impact of South West Closures**

142. All court and tribunal types modelled are affected by the proposed closures in the South West. However as closures are spread out across all of the different estate types there is only a small increase in the travel times of users in this region.

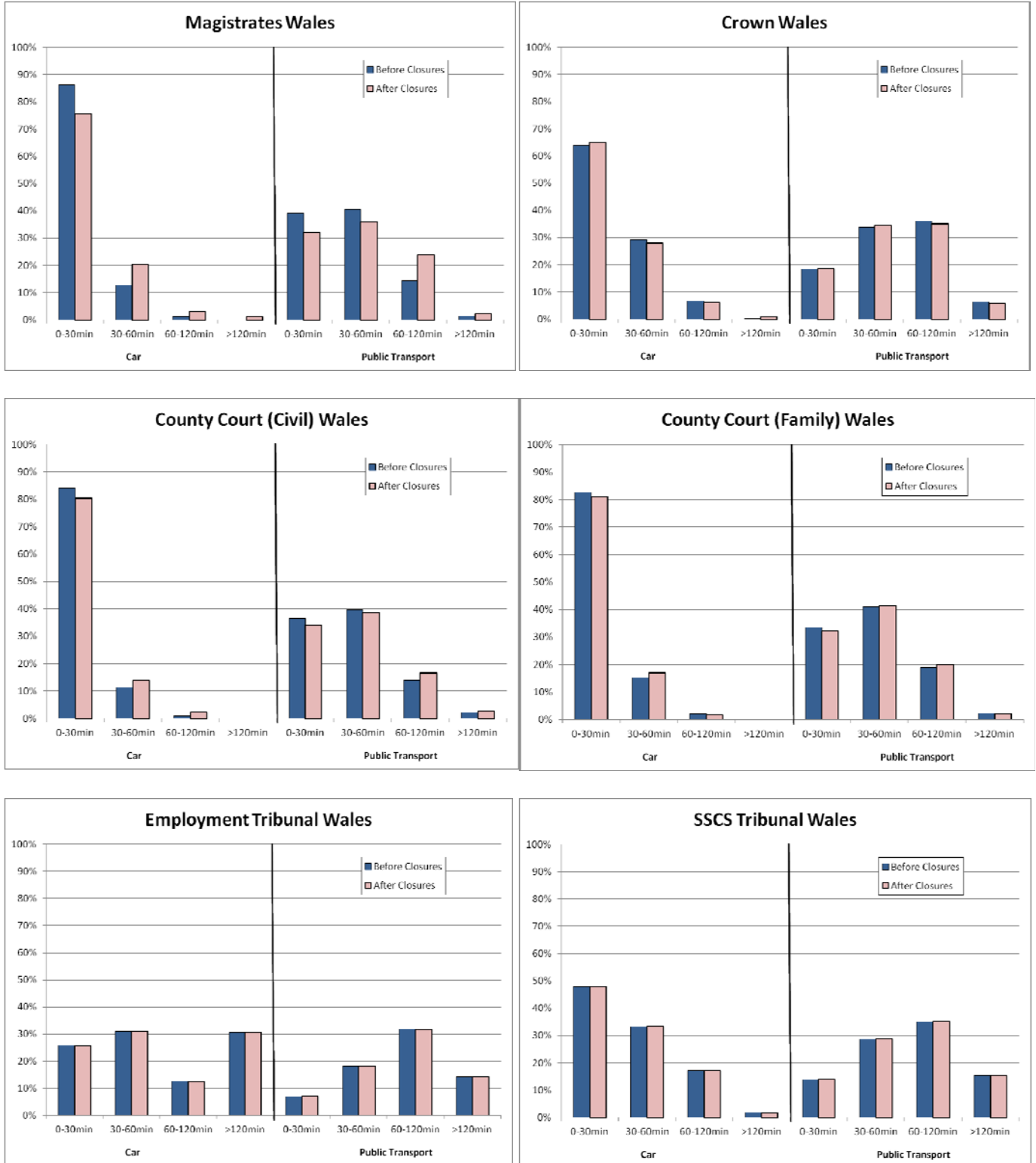
**Charts A.31-A.36: South West impact of closures on travel times by jurisdiction**



## A7: Impact of Wales Closures

143. Court closures in Wales will have a larger impact as the next closest courts are further away than many other regions. As illustrated in the below charts this difference is particularly pronounced for magistrates' courts. The decrease in times for Crown courts is due to crown work at Carmarthen Law Courts being transferred to Haverford Magistrates' and County Court, which is closer to the some LSOAs.

Charts A.37-A.42: Wales impact of closures on travel times by jurisdiction



## Annex B Summary of Local and Regional Equality Analysis

144. At a cumulative level, there is some over-representation of those of Asian ethnicity living local to affected Combined courts in the Midlands region when compared to the regional average (25% compared to 8%). And an over representation of Muslims living local to affected Combined courts in the Midlands (22% compared to the regional average of 5%)
145. On the other hand those of a White ethnicity are much more affected by the closures of Crown courts (98%), County courts (95%) and Tribunals (96%) compared to the regional average of 86%.
146. Across other court functions, and other HMCTS regions, there are no notable differences between the protected characteristics of those living local to all courts and tribunals in each region and the regional population in general (as shown in Tables B.01-B.07).

**Table B.01: The protected characteristics of those impacted by the proposals, HMCTS London**

		Local population					London population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		0	5	3	1	0	9
<b>Gender</b>	Male	N/A	50%	50%	50%	N/A	49%
	Female	N/A	50%	50%	50%	N/A	51%
<b>Age</b>	0-15	N/A	20%	20%	18%	N/A	20%
	16-64	N/A	70%	72%	74%	N/A	69%
	65+	N/A	10%	8%	8%	N/A	11%
<b>Disability</b>	Disability	N/A	14%	14%	14%	N/A	14%
	No disability	N/A	86%	86%	86%	N/A	86%
<b>Race</b>	White	N/A	62%	55%	54%	N/A	60%
	Mixed	N/A	5%	6%	6%	N/A	5%
	Asian	N/A	15%	17%	7%	N/A	17%
	Black	N/A	13%	18%	27%	N/A	13%
	Other	N/A	5%	4%	6%	N/A	5%
<b>Religion</b>	Christian	N/A	49%	45%	53%	N/A	48%
	Buddhist	N/A	1%	1%	1%	N/A	1%
	Hindu	N/A	4%	2%	1%	N/A	5%
	Jewish	N/A	1%	0%	0%	N/A	2%
	Muslim	N/A	12%	16%	9%	N/A	12%
	Sikh	N/A	2%	1%	0%	N/A	2%
	Other religion	N/A	0%	0%	0%	N/A	1%
	No religion	N/A	22%	24%	27%	N/A	21%
Religion not stated	N/A	8%	10%	9%	N/A	8%	

**Table B.02: The protected characteristics of those impacted by the proposals, HMCTS Midlands**

		Local population					Midlands population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		0	11	4	1	1	17
<b>Gender</b>	Male	N/A	49%	49%	49%	49%	49%
	Female	N/A	51%	51%	51%	51%	51%
<b>Age</b>	0-15	N/A	19%	19%	17%	23%	19%
	16-64	N/A	63%	63%	64%	64%	64%
	65+	N/A	19%	18%	19%	13%	17%
<b>Disability</b>	Disability	N/A	19%	19%	23%	18%	19%
	No disability	N/A	81%	81%	77%	82%	81%
<b>Race</b>	White	N/A	91%	95%	97%	58%	86%
	Mixed	N/A	2%	1%	1%	4%	2%
	Asian	N/A	5%	2%	1%	25%	8%
	Black	N/A	2%	1%	1%	9%	3%
	Other	N/A	1%	1%	0%	3%	1%
<b>Religion</b>	Christian	N/A	65%	64%	64%	46%	60%
	Buddhist	N/A	0%	0%	0%	0%	0%
	Hindu	N/A	1%	0%	0%	2%	2%
	Jewish	N/A	0%	0%	0%	0%	0%
	Muslim	N/A	2%	1%	1%	22%	5%
	Sikh	N/A	2%	1%	0%	3%	2%
	Other religion	N/A	0%	0%	0%	1%	0%
	No religion	N/A	23%	26%	27%	19%	24%
Religion not stated	N/A	7%	7%	7%	7%	7%	

**Table B.03: The protected characteristics of those impacted by the proposals, HMCTS North East**

		Local population					North East population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		0	5	5	6	0	<b>16</b>
<b>Gender</b>	Male	N/A	49%	49%	49%	N/A	49%
	Female	N/A	51%	51%	51%	N/A	51%
<b>Age</b>	0-15	N/A	18%	18%	18%	N/A	19%
	16-64	N/A	64%	63%	66%	N/A	65%
	65+	N/A	17%	18%	16%	N/A	17%
<b>Disability</b>	Disability	N/A	22%	20%	21%	N/A	20%
	No disability	N/A	78%	80%	79%	N/A	80%
<b>Race</b>	White	N/A	95%	95%	91%	N/A	91%
	Mixed	N/A	1%	1%	1%	N/A	1%
	Asian	N/A	3%	3%	4%	N/A	5%
	Black	N/A	0%	0%	2%	N/A	1%
	Other	N/A	1%	1%	2%	N/A	1%
<b>Religion</b>	Christian	N/A	67%	66%	61%	N/A	62%
	Buddhist	N/A	0%	0%	0%	N/A	0%
	Hindu	N/A	0%	0%	0%	N/A	0%
	Jewish	N/A	0%	0%	0%	N/A	0%
	Muslim	N/A	2%	2%	4%	N/A	5%
	Sikh	N/A	0%	0%	0%	N/A	0%
	Other religion	N/A	0%	0%	0%	N/A	0%
	No religion	N/A	23%	25%	27%	N/A	25%
Religion not stated	N/A	6%	7%	7%	N/A	7%	

**Table B.04: The protected characteristics of those impacted by the proposals, HMCTS North West**

		Local population					North West population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		0	10	6	0	1	<b>17</b>
<b>Gender</b>	Male	N/A	49%	49%	N/A	49%	49%
	Female	N/A	51%	51%	N/A	51%	51%
<b>Age</b>	0-15	N/A	19%	19%	N/A	20%	19%
	16-64	N/A	64%	63%	N/A	64%	65%
	65+	N/A	17%	18%	N/A	16%	17%
<b>Disability</b>	Disability	N/A	19%	20%	N/A	19%	20%
	No disability	N/A	81%	80%	N/A	81%	80%
<b>Race</b>	White	N/A	90%	92%	N/A	88%	90%
	Mixed	N/A	1%	1%	N/A	1%	2%
	Asian	N/A	6%	6%	N/A	9%	6%
	Black	N/A	1%	0%	N/A	1%	1%
	Other	N/A	1%	1%	N/A	1%	1%
<b>Religion</b>	Christian	N/A	66%	68%	N/A	66%	67%
	Buddhist	N/A	0%	0%	N/A	0%	0%
	Hindu	N/A	1%	0%	N/A	1%	1%
	Jewish	N/A	1%	0%	N/A	0%	0%
	Muslim	N/A	5%	5%	N/A	7%	5%
	Sikh	N/A	0%	0%	N/A	0%	0%
	Other religion	N/A	0%	0%	N/A	0%	0%
	No religion	N/A	20%	20%	N/A	19%	20%
Religion not stated	N/A	6%	6%	N/A	6%	6%	

**Table B.05: The protected characteristics of those impacted by the proposals, HMCTS South East**

		Local population					South East population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		1	11	5	5	2	<b>24</b>
<b>Gender</b>	Male	49%	49%	49%	50%	48%	49%
	Female	51%	51%	51%	50%	52%	51%
<b>Age</b>	0-15	21%	19%	19%	18%	16%	19%
	16-64	64%	63%	63%	67%	59%	64%
	65+	15%	18%	18%	15%	25%	17%
<b>Disability</b>	Disability	13%	16%	18%	16%	17%	16%
	No disability	87%	84%	82%	84%	83%	84%
<b>Race</b>	White	89%	91%	94%	91%	97%	91%
	Mixed	2%	2%	2%	2%	1%	2%
	Asian	6%	5%	2%	4%	1%	4%
	Black	2%	2%	1%	2%	0%	2%
	Other	1%	1%	1%	2%	1%	1%
<b>Religion</b>	Christian	61%	61%	60%	53%	66%	60%
	Buddhist	0%	0%	0%	1%	0%	0%
	Hindu	1%	1%	1%	1%	0%	1%
	Jewish	1%	0%	0%	0%	0%	0%
	Muslim	4%	2%	1%	2%	0%	2%
	Sikh	0%	0%	0%	0%	0%	1%
	Other religion	0%	0%	0%	0%	0%	0%
	No religion	26%	27%	29%	35%	25%	28%
Religion not stated	7%	7%	8%	8%	8%	7%	



**Table B.06: The protected characteristics of those impacted by the proposals, HMCTS South West**

		Local population					South West population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		0	7	3	5	2	<b>17</b>
<b>Gender</b>	Male	N/A	49%	49%	50%	50%	49%
	Female	N/A	51%	51%	50%	50%	51%
<b>Age</b>	0-15	N/A	18%	19%	18%	17%	18%
	16-64	N/A	63%	63%	67%	68%	63%
	65+	N/A	19%	18%	15%	15%	20%
<b>Disability</b>	Disability	N/A	17%	16%	17%	17%	18%
	No disability	N/A	83%	84%	83%	83%	82%
<b>Race</b>	White	N/A	95%	93%	90%	88%	95%
	Mixed	N/A	1%	1%	2%	2%	1%
	Asian	N/A	2%	4%	4%	6%	2%
	Black	N/A	1%	1%	3%	2%	1%
	Other	N/A	1%	1%	1%	2%	1%
<b>Religion</b>	Christian	N/A	61%	63%	54%	54%	60%
	Buddhist	N/A	0%	1%	1%	1%	0%
	Hindu	N/A	0%	1%	1%	1%	0%
	Jewish	N/A	0%	0%	0%	0%	0%
	Muslim	N/A	1%	1%	3%	3%	1%
	Sikh	N/A	0%	0%	0%	1%	0%
	Other religion	N/A	1%	0%	1%	1%	1%
	No religion	N/A	29%	26%	33%	33%	29%
Religion not stated	N/A	8%	7%	8%	7%	8%	

**Table B.07: The protected characteristics of those impacted by the proposals, HMCTS Wales**

		Local population					National population
		<i>Crown court</i>	<i>Magistrates' Court</i>	<i>County court</i>	<i>Tribunal</i>	<i>Combined court</i>	
Site closures		1	6	5	1	2	<b>15</b>
<b>Gender</b>	Male	49%	49%	49%	50%	49%	49%
	Female	51%	51%	51%	50%	51%	51%
<b>Age</b>	0-15	17%	18%	18%	19%	18%	18%
	16-64	65%	62%	62%	64%	62%	63%
	65+	18%	19%	21%	17%	20%	18%
<b>Disability</b>	Disability	23%	24%	24%	21%	23%	23%
	No disability	77%	76%	76%	79%	77%	77%
<b>Race</b>	White	94%	98%	98%	97%	98%	96%
	Mixed	1%	1%	1%	1%	1%	1%
	Asian	2%	1%	1%	1%	1%	2%
	Black	1%	0%	0%	0%	0%	1%
	Other	2%	1%	1%	0%	0%	1%
<b>Religion</b>	Christian	55%	57%	61%	63%	58%	58%
	Buddhist	0%	0%	0%	0%	0%	0%
	Hindu	0%	0%	0%	0%	0%	0%
	Jewish	0%	0%	0%	0%	0%	0%
	Muslim	2%	0%	1%	1%	0%	1%
	Sikh	0%	0%	0%	0%	0%	0%
	Other religion	0%	0%	0%	0%	0%	0%
	No religion	34%	34%	29%	27%	32%	32%
Religion not stated	7%	8%	8%	8%	8%	8%	

## Annex C: Post Implementation Review (PIR) Plan

### **Basis of the review:**

To evaluate the successful implementation and impact of the proposals on the provision of court and tribunal services in England and Wales.

### **Review objective:**

The Post Implementation Review will assess the impact of the reduced court and tribunal estate on HMCTS operating costs and the performance of courts and tribunals and hence the impact on court users, partners and stakeholders in the wider criminal justice system.

### **Review approach and rationale:**

The approach of the Post Implementation Review will be to review HMCTS performance, using established management information products in order to understand the impact of the changes in court and tribunal provision.

The Review will take place in Q4 of 2016/17 to enable an effective assessment of the impact of the court provisions. This is currently projected to be three years after the first closures take place.

The objective of the proposals is to reshape HMCTS estate in line with the National Estates Principles published in the consultation document. These principles are intended to deliver an efficient and flexible estate which meets the current and future needs of HMCTS.

### **Baseline:**

Pre implementation performance baseline will be the workload and performance data included in the 2012/13 HMCTS Annual Report.

### **Success criteria:**

The objective of the proposals is to reduce the operating costs of HMCTS, in line with the projections in the Impact Assessment, whilst maintaining customer service performance. Following delivery of the project, the national estates principle to increase utilisation to at least 80% of available time in Criminal jurisdictions and of available sessions in Civil, Family and Tribunals jurisdictions, should be met.

### **Monitoring information arrangements:**

Established performance reporting mechanisms and financial controls will be used to establish that costs have reduced as projected in the Impact Assessment whilst customer service performance has been maintained.