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FROM: CLAIRe McCORMICK

DATE: 28 JANUARY 2022

TO: CHRISTINE DARRAH

NORTHERN IRELAND COURTS AND TRIBUNALS SERVICE DRAFT BUDGET

Summary

Business Area: Northern Ireland Courts and Tribunals Service (NICTS)

Issue: To provide the Committee with briefing on the impact of the draft budget on the NICTS.

Restrictions: Not applicable.

Action Required: To note.

Officials Attending: Glyn Capper – Director of Access to Justice and NICTS
Mark Goodfellow – NICTS Chief Operating Officer
Louise Laverty – NICTS Head of Finance

Background

The Northern Ireland Courts and Tribunals Service (NICTS) is an Agency of the Department of Justice (DoJ), responsible for the provision of administrative support for all Northern Ireland's courts and the majority of Northern Ireland's tribunals.

NICTS provides administrative support to the Coroners Service of Northern Ireland (CSNI) and the Legacy Inquest Unit; has responsibility for enforcing judgments of the civil courts through the Enforcement of Judgments Office; collects and enforces outstanding financial penalties imposed (or registered) by a criminal court; and has responsibility for

funds held in court through the Court Funds Office. NICTS also provides administrative support to the Parole Commissioners for Northern Ireland (PCNI) and the HIA Redress Board as well as processing awards on behalf of the Redress Board. NICTS sponsors the Planning Appeals Commission and Water Appeals Commission.

NICTS supports 72 salaried members of the judiciary and 20 commissioners and in 2020/21 supported approximately 56,000 court cases and 4,800 Tribunals. The Agency operates 24 properties with an asset value of £200m.

NICTS currently has 839 full time equivalent staff.

Over the next three years, the focus of NICTS is on business recovery post Covid-19; service improvement; and modernisation.

Resource DEL budget

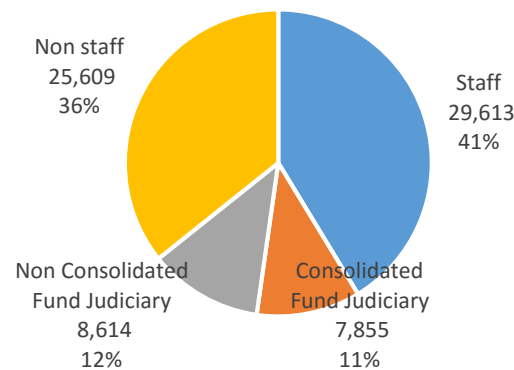
NICTS has a 2021-22 net resource DEL baseline of £45.1m¹, broken down as follows:

Baseline		
Expenditure	£k	%
Staff	29,613	41%
Consolidated Fund Judiciary	7,855	11%
Non Consolidated Fund Judiciary	8,614	12%
Non staff	25,609	36%
Total expenditure	71,691	100%
Income	26,621	
Net budget	45,070	

¹ Excludes ringfenced funding of £487k for Substance Misuse Courts and £154k for EU Exit costs.



Expenditure baseline



The total expenditure budget is £72m, of which £7.8m relates to judicial costs funded by the NI Consolidated Fund and £8.6m relates to judicial costs funded by the NICTS baseline budget.

NICTS also receives income of approximately £27m per annum, largely relating to court fees.

Non staff costs

The following six non staff expenditure categories make up 73% of the total non staff budget.

Non staff category	£k	% of total budget	cumulative %
Security	5,438	21%	21%
PFI Contract	3,309	13%	34%
Members Fees (Tribunals/PACWAC/PCNI)	3,049	12%	46%
Rates	2,928	11%	57%
ICT Costs	2,646	10%	68%
Maintenance/Other Accommodation	1,256	5%	73%

Additional in-year funding

In addition to baseline funding, NICTS received the following funding for specific purposes during 2021-22:

Additional in-year funding on 2021-22	£k
Consolidated Fund	807



COVID-19	7,319
Gillen review of serious sexual offences	186
Legacy Inquests	2,042
Technical Transfers	270
Total	10,624

Draft Resource Budget 2022-23

In setting Departmental budgets, the underpinning assumption has been that departments will find a proposed 2% reduction required to provide additional funding to Health from efficiencies in the existing budgets.

The Department of Justice has provided an assessment of a 2% reduction across all areas in its Budget Consequences document to help inform the consultation. This would result in a NICTS draft baseline Resource Budget allocation of £44,797k for each of the three years from 2022-23 to 2024-25. This equates to a reduction of £914k per annum.

COVID funding

As noted above, in the current financial year, NICTS received £7.3m of additional funding in relation to COVID. This mainly related to an income pressure (£2.4m); additional staff costs to aid recovery (£1.2m); and additional cleaning/security costs (£0.8m).

The current forecast COVID funding requirement for 2022-23 is £5.1m, broken down as follows:

2022-23 COVID funding requirement forecast £k	
Income	500
Staff	2,318
Cleaning/Security	934
Nightingale	230
Deputy Judges	854
Estates	77
Other	227
Total	5,140

However, the draft budget does not include any additional funding for COVID costs and NICTS is currently reviewing the forecast requirement and impacts of not receiving COVID funding.

Pressures over the period 2022 to 2025

NICTS will continue to review and refine pressures, budget requirements and the associated impacts over the coming weeks as it continues to consider the impact of the draft budget. The current forecast pressures over the period 2022-23 to 2024-25 are shown below:

Current forecast pressures	2022-23 £k	2023-24 £k	2024-25 £k
Pay inflation	1,369	1,584	1,939
Staff costs	1,432	1,361	948
Vision 2030 modernisation costs	864	812	569
Tribunals	1,642	1,674	1,710
Estate maintenance	798	1,741	3,913
Substance Misuse Court	445	454	896
Total pressures	6,550	7,626	9,975
<i>% of net budget</i>	15%	17%	22%
<i>% of expenditure budget</i>	9%	11%	14%

Taking into account the impact of a 2% budget cut and COVID requirements, pressures increase to:

Total pressures	2022-23 £k	2023-24 £k	2024-25 £k



Above pressures	6,550	7,626	9,975
2% baseline cut	914	914	914
COVID-19 requirement	5,140	2,761	1,833
Total pressures + baseline cut + COVID pressures	12,604	11,301	12,722
<i>% of net budget</i>	28%	25%	28%
<i>% of expenditure budget</i>	18%	16%	18%

Capital

The current forecast capital requirement over the 10 year period 2022-23 to 2031-32 is set out at Annex A, together details of major capital projects.

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Annex A

Forecast capital requirements

2022-23 £k	2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k	2028-29 £k	2029-30 £k	2030-31 £k	2031-32 £k
7,965	9,860	17,643	17,598	17,459	18,256	23,637	22,623	9,651	6,690

This includes the following major capital projects:

Project	£k
Estates health and safety and maintenance programme	9,200
RCJ Services Infrastructure Upgrade	20,000
NICTS Future Core IT Solution and line of business systems	19,650
Estates Upgrade Programme	46,200

North West accommodation	22,251
Old Town Hall Restoration and refurbishment	5,500