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HM Courts & Tribunals Service's £1.2 billion programme to modernise courts is hugely ambitious and on a scale which has never been attempted anywhere before. Transforming the courts and tribunals system in this way will change how people access justice by digitising paper-based services, moving some types of cases online, introducing virtual hearings, closing courts and centralising customer services.

By March 2023, HMCTS expects that 2.4 million cases per year will be dealt with outside physical courtrooms, it will employ 5,000 fewer staff. HMCTS expects to save £265 million a year from these changes, which will come from lower administration and judicial costs, fewer physical hearings and running a smaller court estate. These savings are expected to contribute around half of the total savings the Ministry of Justice committed to in the 2015 Spending Review.

- Such sweeping changes will be extremely challenging to deliver.
- The performance of HMCTS to date shows that it has much to learn if it intends to do everything it plans.
- Despite extending its timetable from four to six years, HMCTS has already fallen behind, delivering only two-thirds of what it expected to at this stage, and it still has not shared a sufficiently well developed plan of what it is trying to achieve.
- The pressure to deliver quickly and make savings is limiting HMCTS's ability to consult meaningfully with stakeholders and risks it driving forward changes before it fully understands the impact on users and the justice system more widely.
- HMCTS needs to ensure that the savings expected from these reforms are genuine rather than the consequence of shunting costs to other parts of the justice system such as the police, prison service or Crown Prosecution Service, all of which have their own pressures to manage.
- Without a better grip on these wider issues, there is a significant risk that HCMTS will fail to deliver the benefits it expects.

### **Conclusions and recommendations:**

1. PAC has little confidence that HMCTS can successfully deliver this hugely ambitious programme to bring the court system into the modern age.

*Recommendation:* HMCTS should write to the Committee, by January 2019, to provide assurance about its updated timetable for delivery. It should update the Committee every six months thereafter in the same format so we can monitor progress.

2. HMCTS has failed to articulate clearly what the transformed justice system would look like, which limits stakeholders' ability to plan for, and influence the changes. HMCTS was unable to explain what the transformed justice system would look like and how it would measure whether the changes had been delivered successfully.

*Recommendation:* By January 2019, HMCTS should provide the Committee with a clear and detailed articulation of what the changes will mean in practice for all the users of the justice system, and when users can expect these changes to be in place.

3. Despite the revised timescale, HMCTS's imperative to deliver at such a fast pace risks not allowing time for meaningful consultation or evaluation and could lead to unintended consequences. PAC shares the concerns raised with them that rushing through court closures and fundamental changes to how cases are processed could impede access to fair justice and increase costs elsewhere in the system.

*Recommendation:* By November 2018, HMCTS should publish plans on how and when it will engage with stakeholders and be clear about how it will act on the feedback received and adjust plans if necessary.

4. HMCTS has not adequately considered how the reforms will impact access to, and the fairness of, the justice system for the people using it, many of whom are vulnerable. They are concerned that the reforms are being pursued at the possible expense of people's access to fair justice. HMCTS has already closed 258 courts between 2010–11 and December 2017. These courts have been closed before moving services online, meaning that many people are having to travel further to access justice. More closures are underway, yet HMCTS has undertaken limited work to review the impact of the closures on users or how demand for court time has been affected. Although HMCTS assured PAC that it is testing digital services, like online forms, with users, this does not amount to a proper evaluation of the wider impacts of the changes in the real world. Moving services online without assessing the impact could have serious implications for users of the justice system. They share concerns raised by legal professionals and in written submissions that, without sufficient access to legal advice, people could make uninformed and inappropriate decisions about how to plead, and that the roll-out of virtual hearings could introduce bias and lead to unfair outcomes.

*Recommendation:* HMCTS should write to the Committee by January 2019, setting out how it will identify and evaluate the impact of changes on people's access to, and the fairness of, the justice system, particularly in relation to those who are vulnerable.

5. One third of the way through the programme, the Ministry of Justice still does not understand the financial implications of its planned changes on the wider justice system. HMCTS expects to save £265 million a year through its planned changes to the courts and tribunal system. These changes will have financial implications across the justice system. Some changes, such as the increased use of video hearings, will create additional costs for other organisations such as the prison service and the police. There may also be indirect costs, eg costs related to increases in witnesses not attending trials due to the need to travel greater distances to courts or delays processing divorce applications due to staff shortages meaning some people may have to access benefits as they wait for their financial situation to be resolved. Such cost-shunting across the justice system needs to be well understood given the stress that all parts of the system are already under. Although PAC recognise work is underway to better understand and address this, we are surprised and disappointed it is not more advanced.

*Recommendation:* The Ministry should work with HM Treasury to quantify the likely financial implications of the reforms on the wider justice system. They should involve affected parties to

address the implications of any cost-shunting and ensure future funding settlements reflect the cost of delivering services in the transformed system.

6. PAC remains concerned that the Ministry of Justice is taking on significant amount of change, without a clear sense of its priorities, at a time when it is facing severe financial and demand pressures. The changes to the courts and tribunal system is only one of a number of significant change programmes within the Ministry's portfolio and the prison, probation and legal aid systems are all under significant strain. It is not clear how the Ministry aims to flex its priorities and balance its budget whilst maintaining critical public services.

*Recommendation:* The Ministry should write to the Committee in advance of the next Spending Review to explain how it plans to ensure its portfolio of change is well-balanced and appropriately prioritised to enable it respond to financial pressures. This should include setting out those elements of reform that are essential and those which could be put on hold.