



The Supreme Court Annual Report and Accounts 2019–2020



The Supreme Court Annual Report and Accounts 2019–2020

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of the Constitutional Reform Act 2005.

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Section 6(4) of the Government Resources and Accounts Act 2000.

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Annex

Foreword

BY THE PRESIDENT OF THE SUPREME COURT
THE RIGHT HON THE LORD REED OF ALLERMUIR



This is my first foreword as President of the Supreme Court of the United Kingdom (UKSC), following the retirement of Lady Hale in January 2020.

I should like to begin by paying tribute to the exceptional learning and energy that Brenda Hale brought during her impressive time on the bench, and in particular in the Appellate Committee of the House of Lords, the Judicial Committee of the Privy Council (JCPC) and the UKSC. She wholeheartedly supported the establishment of the UKSC and it was very fitting that she should be President in our tenth anniversary year. Throughout 2019 we were able to reflect on the work of the Court during its existence and the achievement of those who were its founders, its hearings and judgments, and the appreciation and understanding of our work by the public. Brenda Hale worked tirelessly from the inception of the Court until her retirement to ensure its high standing and it is a great honour to succeed her as President.

This year also saw the retirement of Lord Carnwath, and later in this report there are excerpts from my valedictory remarks in tribute to his achievements while on the bench and in the UKSC. Lord Hamblen was sworn in as a justice in January and Lord Hodge as Deputy President in February. The justices were delighted to welcome Lord Hamblen and look forward to working with both Lord Hodge and Lord Hamblen in their new roles.

It was a particular pleasure for the Court to sit for the first time in Cardiff. We were made very welcome in the National Assembly building and I am

grateful to the Presiding Officer and her staff for all the help we received, to the High Sheriff and to so many from the legal profession for the hospitality and warm welcome. We heard three cases and also gave judgment in three. We established a small visitor centre near to the rooms in which we held the hearings and these information panels have remained in Wales, for the benefit of those who wish to learn about our work.

It has been a busy year again, with 54 judgments in the UKSC and 45 in the JCPC. It is a tribute to the hard work of fellow justices and the staff of the Court that we are able to deliver a high level of service to the public, to litigants and to the legal profession, in particular when called on to do so in urgent and very high profile circumstances.

As the financial year draws to a close, like every other institution and person in the country, we are grappling with the impact of Coronavirus (COVID-19). Many other public services face greater difficulties than us and continue to operate. I am pleased that we have managed to rapidly adopt technology that allows hearings and judgments to take place by video link, that we have been able to maintain our live streaming service to the public, and have at all times ensured our staff have been protected and supported.

I look forward to leading the Court as it continues to fulfil its important role – deciding cases in which there is an arguable point of law of general public importance which ought to be considered by the UKSC at that time.

Introduction

BY THE CHIEF EXECUTIVE
MARK ORMEROD



I am pleased to present my fifth annual report, prepared in order to meet the obligation placed upon the holder of my office by section 54 of the Constitutional Reform Act 2005.

2019 saw the tenth anniversary of the UKSC's establishment, and we had a number of events to mark this milestone. The year began with a visit from TRH the Prince of Wales and the Duchess of Cornwall, as recorded in last year's report. In July Lady Hale, as President, and the two former Presidents, Lord Phillips and Lord Neuberger, unveiled specially commissioned portrait photographs by Paul Stuart and reflected on the Court's ten-year history in a moderated discussion led by Professor Alan Paterson. In October we held a session of the London International Conference at the UKSC and produced a booklet, devised by Lord Lloyd-Jones and Lady Arden, of ten notable international cases decided by the Court. In November and December we ran a lecture series open to the public given by justices from the four countries of the UK. All these events were recorded and now feature on our website as a lasting legacy.

Following the successful sitting of the Court in Edinburgh, Belfast and Cardiff, we are now working on the Court sitting elsewhere in 2020. These sittings out of London are part of our mission to increase accessibility and understanding of the Court's work. They have sparked a great deal of interest locally and we plan to continue them in future years.

The President has referred to changes of President, Deputy President and justices. There have also been changes in senior staff, with the return of Sophia Linehan

Biggs following maternity leave to job share with Janet Coull Trisic as joint Head of Communications. The turn of the year, saw the departure of Penelope Gorman, who had been with the UKSC since its inception and an invaluable source of wisdom and experience for justices and generations of judicial assistants, with our profound thanks and gratitude.

This is my last report as Chief Executive as I have elected to retire in the summer of 2020. The five years I have spent at the Court have been eventful and a time of considerable change. As I write this introduction, we are all coming to terms with the enormity of the impact of COVID-19. Following the government's advice that all those who can work at home should do so, we have effectively moved to home working for justices and all staff, except essential maintenance staff and security staff. I am extremely proud of all those involved, especially those dealing with the necessary IT and broadcasting, for the immense support and hard work that has gone into this achievement. Not one UKSC case had to be adjourned because we were unable to support the justices in hearing it. That we have been able to develop so successfully as an institution, while remaining an excellent place to work is a tribute to the goodwill and friendly and positive approach from justices and staff alike.

My thanks and best wishes for the future go to all those with whom I have worked during my time here.

In focus: Ten-year anniversary – 2009 to 2019



Unveiling their new portraits, from L-R: Lord Neuberger, Lady Hale and Lord Phillips

A series of events were programmed to mark the 10th anniversary of the Court.

The 'Night of the Three Presidents' in July featured a moderated discussion with all three former and current Presidents – Lord Phillips of Worth Matravers, Lord Neuberger of Abbotsbury and Lady Hale of Richmond – chaired by Professor Alan Paterson of Strathclyde University. The UKSC Arts Trust commissioned three photographic portraits of the first three UKSC Presidents from photographer, Paul Stuart, and they were officially unveiled at the event. The portraits are now on display outside courtroom 1.



Lady Hale reading to children from St Matthew's Primary School

The court also held a special a ten-year anniversary open day and celebration in October. The event welcomed 722 attendees and had a particular emphasis on young people. We held three education events: two 'live' 'Ask a justice' sessions with Lord Kerr and Lord Briggs, and Lady Hale's reading of 'Equal to Everything: Judge Brenda and the Supreme Court' to St Matthew's Primary School, Westminster, in the library.

**"It was an honour to meet Lady Hale. My class really appreciated it."
– Teacher, St Matthew's Primary School**

In focus: Ten-year anniversary – 2009 to 2019 (continued)



Legal Landmarks videos, showing onscreen in the court's permanent exhibition area

As part of the October open day, we held a 'Be a justice' education session, with David Yuratich of Royal Holloway, University of London.

"I specifically enjoyed the atmosphere created and the level of detail, and information given to us was extremely helpful and more importantly very interesting and engaging."

– Student from School 21 in Stratford, East London, who attended 'Be a justice'

We also put on speaking events with our Chief Executive, photographer Paul Stuart (talking about his portraits of the three Presidents and his career) and architect Elsie Owusu (talking about her role in the refurbishment of the building).

The public open day ended with the launch of 'Legal Landmarks', ten educational short films made in conjunction with Royal Holloway, University of London, which spotlight landmark cases in English legal history. Matthew Smith, Senior Fellow, Department of History, and Project Director of the 'Citizens: 800 years in the making' which is funded by the Heritage Lottery Fund, welcomed the launch with a speech.

The full series is available to watch online at:

www.youtube.com/playlist?list=PLSegY_gUYIeCjbu01dii9Oc4eCX2sx6D

A series of public talks by justices showcasing the work of the Court over the last ten years were delivered in November and December. A justice from each of the four nations covered by the UKSC reflected on the Court's work over the last decade and the interplay between the Court and each jurisdiction.

www.supremecourt.uk/ten-year-anniversary/lecture-series.html

Section ONE

Judicial appointments



Judicial appointments

Lady Hale retired as President in January 2020; and Lord Carnwath retired as a justice in March 2020.

In advance of these retirements, the Lord Chancellor convened selection commissions, under the Constitutional Reform Act 2005 (CRA 2005) and the Crime and Courts Act 2013, to find replacements. The process for UKSC appointments is set out on the UKSC website and requires those seeking appointment to apply, to be interviewed and for senior judges and politicians to be consulted at different stages.

Given the turnover of justices that could be foreseen during the period 2017–2020 (nine out of 12 reach/reached their statutory retirement ages), it was announced in July 2016 that, in order to encourage the broadest and most diverse range of applications and achieve the most efficient process for candidates and the selection commission, recruitment would be grouped together in several joint selection exercises. Accordingly, the Lord Chancellor convened selection commissions in autumn 2018 for the appointment of a replacement for Lady Hale and, also, for replacements for Lord Carnwath and for Lord Wilson, who reached the statutory retirement age in May 2020.

On 24 July 2019 it was announced that the then Deputy President, Lord Reed, would be appointed to succeed Lady Hale as President; and that Lord Justice Hamblen, Lord Justice Leggatt and Professor Burrows would be appointed justices.

A further commission was established in summer 2019 to select a replacement as Deputy President and it was announced on 27 January 2020 that Lord Hodge was the new Deputy President. All appointments were made efficiently and, apart from Lord Hodge's, which was delayed by the general election, to time.

Extracts from Lord Reed’s valedictory remarks for Lady Hale, 18 December 2019:

“An important aspect of [Lady Hale’s] achievement is that she has not only demonstrated that an outstanding woman can rise to positions which were previously held by outstanding men – she has also used the positions which she has achieved in order to bring about developments in the law, particularly in family law, mental health law, and the law relating to equality and non-discrimination, which benefit the lives of large numbers of men, and women, and children, who will never play a prominent role in public life, but whose lives can be improved through the efforts of those who do.

“[Lady Hale’s] period of office as President of the Court has been one of the most eventful, including as it has a Royal visit and our tenth anniversary, besides one or two notable appeals. One of the greatest challenges which Brenda faced was the unprecedented turnover among the justices, with half of the court retiring and being replaced over a period of 15 months. It fell to her, especially, to provide the continuity of experience which the court needed over that transitional period, together with a forward-looking approach to the court’s future development. Her greatest achievement as President was probably her handling of the prorogation case – an achievement it should be said by all the court’s staff and justices, but one which depended especially on her organisation and direction of the hearing, as well as her role in the production of the judgment. Although it was produced under severe time constraints, it provided the government and Parliament with clear guidance, and will be of lasting importance.”



Lady Hale
© Supreme Court,
Kevin Leighton



A selection of images taken during Lady Hale’s valedictory ceremony, on 18 December 2019.

The ceremony included remarks by The Right Hon Lord Reed, Deputy President of the UKSC; Richard Atkins QC, Chair of the Bar of England and Wales; Christina Blacklaws, former president of the Law Society of England and Wales; Dinah Rose QC, British human rights barrister; and Lady Hale.

© Supreme Court, Kevin Leighton



Lord Carnwath
© Supreme Court,
Kevin Leighton

Extract from Lord Reed’s valedictory remarks for Lord Carnwath, 12 March 2020:

“We come together this morning to say goodbye to our colleague, and friend, Lord Carnwath, to celebrate his achievements as a judge, a Law Commissioner, and counsel, and to thank him for the important contribution that he has made both to the law, and to the Court.

“I would like to emphasise how substantial a contribution Robert has made to the law, as counsel in a number of important cases, as the author of legal textbooks, including a very useful textbook on the law of compulsory purchase, which is how I first came across his name many years ago, as Chairman of the Law Commission, as the first person to hold the position of Senior President of Tribunals, as the author of many important judgments, especially in the fields of taxation, rating, planning and administrative law more generally, and as a long-standing and indefatigable champion of the importance of environmental law. On this Court, in particular, he has played an important part in our discussions as an advocate of pragmatism, of the importance of legal certainty, and of an approach to public law which is based on a clear view of the constitutional role of the Court.”



Lord Carnwath’s
valedictory
ceremony, on
12 March 2020.

Section TWO

Overview: our performance



About us: who we are and what we do

The UKSC was established by the Constitutional Reform Act 2005 (CRA 2005) and came into being on 1 October 2009. Its creation enabled the separation of the UK's highest court from both the executive and the legislature. It was designed both to increase the transparency of the judicial process and to clarify the relationship between the judiciary, the executive and Parliament.

The role of the Court and the justices is to act as the final court of appeal for arguable points of law of general public importance arising from civil cases throughout the UK; and from criminal cases in England and

Wales, Northern Ireland and, in certain cases only, from Scotland. The Court also hears cases to determine issues relating to the legal competence of the devolved administrations, Parliament and Assemblies. This jurisdiction transferred to the UKSC on 1 October 2009 from the JCPC.

The JCPC is a separate court from the UKSC but its permanent judges are the UKSC justices. The JCPC is the court of final appeal for the UK Overseas Territories and Crown dependencies, Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of republics, to the Judicial Committee.

Justices of the UKSC. Photo taken after the swearing-in of The Right Hon Lord Reed of Allermuir, as President, and The Rt Hon Lord Justice Hamblen, as a justice, on 13 January 2020. © Supreme Court, Kevin Leighton



Our aim

Our aim is to provide an environment which enables the justices of the UKSC to carry out their duties in an effective, visible and accessible way, and which best develops the rule of law and the administration of justice, both in the UK and in those countries which use the JCPC.

We have done this throughout 2019–20 by having in place key objectives which were established to ensure effective and efficient activities take place aligned with our spending review allocation. These objectives align with our strategic priorities, which are as follows:

Strategic priorities:

- Continuing to secure the justices' constitutional and financial independence
- Promoting the importance of the rule of law and its role in securing democratic freedom
- Providing an efficient and effective administration
- Maintaining effective relationships with all jurisdictions in the UK
- Maintaining effective international relationships
- Ensuring the effective delivery of all UKSC corporate responsibilities
- Promoting the visibility and helping to maintain the reputation of the UKSC and the JCPC

Our people and values – a snapshot

Our small and committed team expanded slightly in the last year with an increase in the number of judicial assistants recruited to support the justices in September 2019 and the decision to bring Building Services in-house. This has increased our headcount to 54 staff at the end of March 2020; this includes some who have been with the court since it first opened in 2009. The UKSC continues to work on ensuring we operate consistent standards of behaviours, with staff expected to follow our statement of expectations and shared values, as well as the Civil Service code of conduct.

We are using the results from the 2019 staff survey to help make improvements and encourage participation from everyone to create the very best organisation that is possible. We have begun work on preparing for change by looking at improving digital services and considering the very best way staff can work more flexibly across different business areas with consideration to the Smarter Working Initiative and the need to adapt for the future needs of the court.

Our agreed values:

Impartiality – We will respect judicial independence and deal with all casework fairly and objectively.

Clarity and openness – We will undertake our work without prejudice in an open and transparent manner.

Professionalism – We will seek to understand other people’s pressures and give support to each other. We will treat our colleagues, court users and visitors with respect, and work professionally and co-operatively with outside organisations.

Accountability – We will be responsible for delivering a high-quality service to justices, court users and to the public.

Efficiency – We will use our time, finances and resources effectively and efficiently. We will invite and listen to feedback and continuously look to improve our processes and the services we provide.

Accessibility – We will provide a service that meets the reasonable needs and expectations of users. We will positively promote awareness and understanding of the UKSC and interest in the history of the building and the works of art.

Influence – We will be ambassadors for the Court, and we will maintain good relations, and share our knowledge and experience, with individual jurisdictions and governments in the UK, and with other courts around the world.

The court building

The UKSC is based in the former Middlesex Guildhall in Parliament Square in London, although over the last three years it has also sat for a week in Edinburgh, Belfast and Cardiff.

The building is Grade II* listed, with the consequent requirement to maintain and preserve the historic fabric while, at the same time, ensuring that operational needs are met. Sustainability and our carbon footprint are also important considerations, so we have a continuing programme of works to reduce consumption of energy and other natural resources. This includes measures such as installing energy efficient lighting throughout the building and sensor taps in toilets.

The building is open to visitors in an area of London that attracts a large number of tourists each year. In the last year we had over 101,000 visitors, as well as the lawyers and others associated with cases coming to the Court. Although welcome, this does lead to wear and tear on the fabric of a listed building which must be properly and responsibly maintained.

To this end, we work with Historic England and Westminster City Council to ensure we have an up to date conservation plan. This provides a framework within which we can ensure that the historic building is maintained to a proper standard.



Visitors exploring the UKSC building during an open day.
© UK Supreme Court, Mark Duffy



The Supreme Court café. © UK Supreme Court, Mark Duffy



Visitors interacting with the permanent information exhibition in the UKSC building.
© UK Supreme Court, Mark Duffy

Our performance: progress against our 2019-20 key objectives

We have continued to deliver against our key priorities and objectives throughout the year and these include:

Strategic priority 1:

Continuing to secure the justices' constitutional and financial independence

Key objective 1: We will create an environment, which effectively maintains the independence of the justices, in which they can carry out their work protected from external pressures and which empowers them to develop the rule of law.

We said we would:

- Oversee and maintain the building and IT systems to a level which provides the justices with an appropriate working environment by completing an analysis of the building, IT and future needs.
- Work with all areas of the administration to lead the UKSC bid for the Spending Review and ensure the bid is accurate and safeguards the financial independence of the justices.

What we did:

- A programme of maintenance of the building has been carried out throughout the year, with areas being redecorated as required and some areas of carpet being replaced. The Building Management system has been renewed and other security related equipment has been replaced. A forward maintenance plan is being developed, which takes into account, amongst other things, the expected life cycle of plant and equipment. Along with the IT plan, this will be linked to the plan based on the recommendations arising from the sustainability survey outcomes.
- The UKSC budget for next financial year was settled at Spending Round 2019 (SR2019). We have a balanced financial position, which safeguards the financial independence of the justices. SR2019 was a one-year settlement to provide the UKSC with the financial certainty needed to focus on delivering its strategic objectives.

We said we would:

- Work with the justices to review the UKSC Judicial Code of Conduct to enable them to operate without external pressures.
- Promote and recruit the annual opportunity for lawyers to work as a judicial assistant and influence the reputation of the Court across the UK.
- Continue to provide our own in-house run and maintained IT system to support the justices current and future needs and allow them to work flexibly as required.

What we did:

- Recommendations arising from changes to the wider code for judges across England and Wales were made to the President's review of the justices' Code of Conduct. A revised code was subsequently agreed by the justices and a parallel code agreed for the JCPC.
- We promoted the opportunity for lawyers across the UK to apply to work directly with the justices as judicial assistants on fixed term contracts. The campaign attracted a good response from suitably qualified lawyers in both 2019 and 2020. As well as promoting these vacancies through UKSC-owned communication channels and printed materials, we visited Edinburgh and Belfast with events designed to encourage a diverse field of applications. We worked closely with the Scottish Young Lawyers Association, the Bar Council of Northern Ireland and the London Welsh Lawyers Association to explain the benefits of applying for a position both for individuals and for the UKSC.
- The IT system has been maintained throughout the year, with software updates and security patch updates being applied on a monthly basis. Enhancements have been introduced to make it easier and more reliable for justices to access case papers and other information when working remotely. We have upgraded the sound system in the courtrooms to provide better and more even sound coverage, both for those in the courtrooms and those watching proceedings online.

In focus: Impact of coronavirus (COVID-19)

As a result of the COVID-19 outbreak, the Court had to cease sittings within the building and move to a system where all justices and staff worked remotely. The Court also had to find a way to hold hearings and hand down judgments when all participants, justices and counsel, were in remote locations.



Screenshots of virtual hearings and judgment handdowns.

To do this the IT team set up a system based on the Cisco Webex video conferencing platform. This enabled the Court to successfully continue to carry out its core function of hearing cases.

This required the relevant software to be installed on justices' laptops and that simple, clear guidance be drawn up for both justices and counsel.

Working with our broadcasting contractor we ensured that cases could continue to be recorded and streamed via our websites.

The IT team also developed a facility to allow parties to submit forms and papers electronically.

All of this was achieved in a very short timeframe.

Strategic priorities 2 and 7:

Promoting the importance of the rule of law and its role in securing democratic freedom. Promoting the visibility and helping to maintain the reputation of the UKSC and JCPC

Key objective 2: We will maintain and increase confidence in the administration of justice throughout the United Kingdom by promoting transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. We will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.

We said we would:

- Write a visitor access strategy to enhance the experience of the court for people with access needs to the Court.
- Deliver a successful sitting of the Court in Cardiff in July 2019.
- Deliver a series of events to mark the ten-year anniversary of the Court.
- Conduct a review of the use of social media channels to ensure we continue to promote the visibility and maintain the reputation of the UKSC and JCPC.

What we did:

- The strategy will be delivered over a three-year period and will ensure the UKSC is meeting its statutory obligations, in terms of access, as well as providing services to support visitors who are disabled or hard of hearing.
- The Court delivered a highly successful sitting, engaging the public, media, local bodies and promoting the work of the Court. See “in focus” on page 24.
- The Court staged a range of events, from a Q&A with former Presidents, to lectures, to a conference on international law. See “in focus” on page 7.
- This review found that we are reaching the right audiences with the right channels. Consideration will be given to greater use of video and the viability of using LinkedIn to reach the legal community.

We said we would:

- Support justices in giving a number of pre-arranged, high-profile interviews on the work of the justices, the Court and the ten-year anniversary.
- Optimise live stream hearings capability, both from courtrooms and remote locations, by modernising our broadcast equipment.
- Review internal current awareness services (where we supply relevant material to justices, JAs and staff) to ensure that legal developments, both domestically and from international jurisdictions, have the opportunity to be fully considered.

What we did:

- From a Lady Hale feature in the Financial Times' Women of the Year edition, to Lady Hale editing the Today programme at Christmas, to interviews with the BBC's HardTalk and Radio 5 Live's Emma Barnett, the Court received much high-value media coverage. The UKSC also worked with Radio 5 to deliver a reading of the prorogation judgment in full which was featured in the 2.5-hour Stephen Nolan programme.
- We have successfully upgraded the cameras in each courtroom, along with the support infrastructure and broadcast control equipment. This was done ahead of schedule and within budget. The result is that we now broadcast in HD format and the picture quality and sound of live streamed and recorded footage has been considerably enhanced. Please see case study on page 23.
- We reviewed how we use the electronic databases we subscribe to so that we provide current awareness services that meet the information needs of the justices and staff of the court.
- We have implemented new methods of delivering subject updates to our colleagues. This involved automating email alerts for colleagues who wished to follow developments in subject matter not previously tracked by the library team. We have also encouraged greater use of online services by including direct links to journal articles in other updates.

In focus: Cameras in the courtroom

We have always recorded and broadcast hearings, in keeping with our commitment to transparency. Footage of cases is also archived on the UKSC and JCPC websites.



Cameras in
Courtroom 1

Pan-tilt-zoom (PTZ) cameras were installed in the building as part of their initial set up of the UKSC and JCPC in 2009, but these were failing and only offered standard definition (SD) quality footage.

A challenge we had this year was to upgrade the existing broadcasting system whilst maintaining high quality and transparent streaming of cases. The cameras had to be compatible with the new broadcast equipment, which was installed during the summer of 2019, and allow for future upgrades and enhancements.

The full kit that offered this adaptability and the required level of future proofing consisted of twelve HN130 Panasonic high definition (HD) (PTZ) cameras, an RP150 camera controller and NewTek Tricaster. HD PTZ cameras were selected as they offered the level of quality and technical compatibility that was required, whilst at the same time being unobtrusive. They also allow for the right level of remote control by our broadcast engineers.

Another key consideration was that the new cameras and broadcast equipment had to be compatible with the planned audio upgrade, scheduled for later in the year. This was planned to allow for new speakers in each courtroom and for audio from all courtrooms to also use Network Device Interface (NDI) to allow for networked video and audio over the existing building infrastructure.

The final component was to use the Microsoft Azure Media services platform to deliver the streaming services.

“We are pleased with the feedback received on the picture quality from court users, as well as from the public and the media about the quality of footage broadcast.”

– Dan Money, Technical Architect

In focus: Supreme Court in Cardiff, Wales, in July 2019

The Court heard three cases in the Ty Hywel building (part of the National Assembly for Wales) in July 2019, providing an excellent opportunity for people in the surrounding area to watch cases of importance being discussed.



Temporary UKSC information exhibition in the Ty Hywel building, during the Court's sitting in Wales

The cases were live-streamed, and those watching also saw a judgment being given. A number of media opportunities were secured, including BBC Wales, and a bespoke visitor centre was prepared to share more about the work of the Court with those who attended.

Up to 60 visitors came to observe the hearings each day, and there was a busy programme of talks and events where the justices met students and members of the local legal community.

All external materials associated with the sitting were prepared in both Welsh and English.

Strategic priority 3:

Providing an efficient and effective administration

Key objective 3: We will run an efficient and effective administration, which enables both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which we have been provided. We will operate case management systems which provide appropriate, measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the justices in their work.

We said we would:

- Work with the successful bidder for our cleaning contract to embed the new contract and properly manage the contract over the coming year.
- Bring the delivery of Facilities Management (FM) in-house and directly employing a building engineer and Building Maintenance operative.
- Conduct a feasibility study into the introduction of a media database and CRM.

What we did:

- A new cleaning contract is in place with Julius Rutherford & Co. This allows for service enhancements at a reduced cost.

The new contract allows for the use of more environmentally friendly cleaning products, and greater flexibility as to how cleaning staff are deployed to deliver the best level of service. As with all UKSC contracts, contractors are required to set pay that meets or exceeds the London Living Wage.

- The management and delivery of the FM function has started to be brought in-house. A building engineer has been employed. Over the next year we expect to continue the transition and anticipate that this will lead to improved delivery of FM provision.
- The UKSC has conducted a feasibility study into the introduction of a media database and CRM for the effective management of contacts and interactions, in accordance with industry best practice. The contracting of the preferred supplier is dependent on securing funds in 2020-2021.

We said we would:

- Conduct a review into internal comms, including staff survey results on internal communication, and make recommendations for resultant actions.
- Evaluate the existing provision of electronic research databases to ensure that we can continue to provide access to the best range of primary and secondary legal materials, covering both common and civil law jurisdictions, that current resources permit.
- Create two new websites with supporting case management systems for the UKSC and JCPC.

What we did:

- The review of internal communications was completed and the recommendations will feed into the work of working groups on the staff survey in 2020. The focus of the review was the desire to improve management communication as this was seen in both the staff survey and pulse survey on internal communication as an area for improvement.
- We have continued with our efforts to promote the existing resources we have that offer resources suitable for comparative law. Please see Figure 1.
- We have considered the acquisition of new database services that might help with this in the future and we are engaging with suppliers as to how we can best achieve this.
- Upon further investigation it transpired that a more fundamental review of the existing case management systems and websites was required. This, over the course of 2019-20, has expanded into a wider transformation project looking at the whole customer journey and system improvements. Focus has therefore been on identifying what those improvements should look like and how they can be taken forward. This project will feature in future years' annual reports as it develops.

However, over the course of the year we have:

- Refreshed the homepage design of both the UKSC and JCPC websites and updated the content of both sites in plain English. This work has been in lieu of the building of a new website as part of a wider transformation project.
www.supremecourt.uk
www.jcpc.uk
- Sought to improve process efficiency. More payments by parties are now made via an electronic system, directly from one bank account to another (BACS).
- Launched a project to tidy up existing data in the case management system, to help provide clearer data analysis, in preparation for the more fundamental review. Additional reports and functionality have also been added to the existing case management system as part of an initial review of working practices.

Figure 1 – Library performance



In focus: Library enquiries

The number of enquiries received by our library this year has risen from 569 during 2018-19 to 597 in 2019-20. But what are these 'enquiries' that the Court's librarians actually deal with?

"We record all our enquiries, firstly so that we can deliver what is requested, but also so we can monitor which resources provided the answer. This can be very useful when similar enquiries come around again. We can also track what information needs are cropping up and assess whether they reveal trends that help us plan for the future.

"We receive a wide variety of requests. Some appear simple such as requests for individual cases, books or journal articles. But not all of these are as easy as they first seem. For instance, we were given a citation to a case from Saint Helena and were asked if it had been reported in a series of law reports. We had what looked like a valid citation but it turned out to be inaccurate. Proving the answer to this type of problem can be tricky when you don't always have immediate access to all the tools that will answer the question definitively. These are the situations where we deploy our networks of library contacts to help us. It can be like detective-work sometimes!

"Who asks us these questions? Our justices and judicial assistants are the primary source, amounting to approximately two-thirds. The remainder come from law reporters who are based in the building, other court staff, libraries from other courts in the UK or globally, as well as occasional enquiries forwarded to us from our other staff.

"Usually the subject matter of the questions relates to active cases before the Court, but it can also be to help with speeches or articles that justices are preparing, often with the help of their judicial assistants. We are sometimes asked to research areas of law that are unfamiliar to us: artificial intelligence, historical nationality laws and recent developments in Indian insolvency law are just some of the examples from this year. We are regularly looking to see how UK cases have been received in overseas jurisdictions as well as by the academic world.

"Many requests are not just for recent material either. We get asked for nineteenth and early twentieth century older editions of key works regularly, as well as material covering the diverse range of jurisdictions that use the JCPC.

"Walking in each day to answer new questions certainly keeps me engaged!"
- Paul Sandles, Librarian and Departmental Records Officer

Strategic priorities 4 and 5:

Maintaining effective relationships with all jurisdictions in the UK and maintaining effective international relationships

Key objective 4: We will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom; and

Key objective 5: We will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share a common law heritage.

We said we would:

- As part of our ten-year anniversary celebrations, the UKSC would host a session as part of the London Conference on International Law in October at the court to promote the UKSC involvement's in international law over the past ten years.
- Support the delivery of numerous speeches, across the jurisdictions of the UK and internationally, and publish them as appropriate, and promote the engagements on social media.

What we did:

- The conference was led by a panel chaired by Lady Hale, President, and also including Lord Reed, Deputy President, Lord Lloyd-Jones and Lady Arden. A collection of cases was produced for the conference by Lord Lloyd-Jones and Lady Arden, with the assistance of Courtney Grafton and Ruth Keating, judicial assistants at the court, to illustrate the contribution that public international law has made to the work of the UKSC over this period. www.supremecourt.uk/ten-year-anniversary/international-law-conference.html
- Over 20 speeches were published this financial year, from Lady Hale's Dame Frances Patterson Memorial Lecture on Law and Politics, to Lord Briggs on Mapping the Law in a Borderless World, to Lord Kitchin on Intellectual Property.

We said we would:

- Support the Chief Executive in bilateral meetings and meetings with visiting judges.
- Continue to enhance and maintain lines of communication with library and information professionals in relevant courts and institutions around the world and proactively seek out contact points in jurisdictions where we do not currently have a relationship.
- Digitise Core Volumes for older case files so that we can more readily supply copies to libraries with whom we have a Memorandum of Understanding about retention of this material.

What we did:

- The UKSC supported the Chief Executive in bilateral meetings and meetings with visiting judges, in particular: Ugandan, Kenyan, Croatian, Ethiopian, French, Taiwanese, Brazilian, Ghanaian, Spanish visits and Canadian, German and Strasbourg bilaterals. Topics discussed range from 'Free speech in the age of social media', to 'Constitutional rights to social benefits', to 'Justiciability of issues relating to the separation of powers.'
- The library has continued to maintain existing relationships with libraries in comparable courts around the world and continues to engage with the activities of the International Association of Law Librarians.
- The Librarian delivered a presentation about the way the library service has evolved during the Court's first ten years at the Conference of the British and Irish Association of Law Librarians in Bournemouth in June 2019.
- We have begun digitising Core Volumes for cases heard in 2009 and 2010. Footage for 2009 and 2010 cases heard at the UKSC, which has been transferred to The National Archives, is available to view on their website: discovery.nationalarchives.gov.uk/browse/r/r/C15143467

In focus: Judicial exchange with the Supreme Court of Canada

The UKSC is committed to ensuring its judicial relationships are well maintained.

In July 2019 four justices from the Supreme Court of Canada, led by Chief Justice Wagner, visited the UKSC to take part in a judicial exchange, as part of this continuing relationship. The UKSC visited Canada in 2016.



Back Row:
Lord Hodge, Lord Burnett, Justice Côté, Justice Rowe
Front Row:
Justice Karakatsanis, Chief Justice Wagner, Lady Hale, Lord Reed

Lady Hale, Lord Reed, Lord Hodge, and the Chief Justice of England and Wales Lord Burnett took part in a two-day discussion in the topics 'Reflections on Various Aspects of Judging', 'Assisted Dying', 'Constitutional Conventions', and 'Role of International Instruments'. One justice from each delegation is required to present a paper they have prepared on their particular topic. This is then followed by a discussion with the whole group, allowing for an 'exchange of ideas'. These exchanges form a crucial part of the judicial relationships with countries all around the world, and are a regular part of the UKSC's international programme.

The visit began with a welcome dinner held at Gray's Inn. During the visit the Canadian delegation was able to visit the Westminster Abbey Galleries, and even visited the UKSC giftshop to purchase some teddy bears as gifts for their grandchildren!

Strategic priority 6:

Ensuring the effective delivery of all UKSC corporate responsibilities

Key objective 6: We will demonstrate appropriate corporate social responsibility. We will promote diversity amongst our staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. We will also both source our supplies and consume our resources in ways which contribute as much as possible to sustainable development and the conservation of natural resources.

Key objective 7: As the statutory custodian of the Court's own records, we will provide the most appropriate environment we can for the organisation, preservation and future inspection of those records.

Key objective 8: As the occupants of the former Middlesex Guildhall, we will promote knowledge of, and interest in, this historic building, the works of art the building houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

We said we would:

- Undertake a sustainability survey to ensure we are operating the building in the most economic and energy efficient way possible and use the findings to set a three-year strategy for continuous improvements.
- Review crisis communications protocols (internal and external).
- Review and improve the UKSC equality and diversity strategy to ensure a diverse workforce is maintained.

What we did:

- A sustainability survey was carried out and has now been delivered along with a range of recommendations. These recommendations will form the basis of a three-year sustainability plan that is expected to deliver savings and efficiencies.
- The UKSC has reviewed its crisis communications protocols (internal and external) to ensure an effective and consistent response in the case of an emergency.
- We reviewed the four-year strategy ending in 2020 and looked to make improvements by clarifying clearer objectives and making these more accessible to staff in the next four-year period to 2024.

We said we would:

- Review and improve the UKSC equality and diversity strategy to ensure a diverse workforce is maintained.
- Introduce and coach all managers on the use of Success Profiles.
- Achieve the renewal of our Cyber Essentials accreditation and keep our IT security measures up-to-date.
- Develop and implement a transfer schedule to enable the UKSC to continue to transfer paper case files to the National Archives.

What we did:

- We have ensured that equality and inclusion is at the heart of what we do and encouraged a diverse workforce that reflects our society. We have actively recruited lawyers outside of London by attending events in Edinburgh and Belfast and looked to ensure we recruit a team with different backgrounds and different specialisms.
- A training event was held in June 2019 to inform all managers of the changes in recruitment practice to move away from competency based questioning and allow greater flexibility with behaviours and strength based approaches. Recruitment campaigns in 2019 have successfully used Success Profiles and managers have responded positively to the change.
- We were independently assessed for and were awarded Cyber Essentials accreditation during 2019. This is an accreditation recognised by the National Cyber Security Centre and Cabinet Office. This accreditation exercise assessed the measures we have in place to guard against the most common cyber threats and demonstrate commitment to cyber security. Accreditation was achieved without any recommendations for further improvement.
- The transfer schedule which enables the permanent preservation of Court records with the National Archives (TNA) remains in operation. During this year, the footage from UKSC cases heard during 2010 has been published on the TNA's Discovery catalogue and is available to all.

Our vision and priorities for 2020-21

Our plan for 2020-21 will be a continuation of the 2016-2020 period and will see a further commitment to delivering our agreed priorities. By the end of 2020-21 we will have embedded our current systems, processes and approaches and tested them to ensure they continue to meet the needs of the UKSC.

Remaining true to our agreed objectives and priorities, in 2020-21 we will undertake activities commensurate with the aims of the UKSC. For example, but not limited to:

Strategic priority 1:

Continuing to secure the justices' constitutional and financial independence

We will:

Key objective 1: We will create an environment, which effectively maintains the independence of the justices, in which they can carry out their work protected from external pressures and which empowers them to develop the rule of law.

- Support the justices in delivering key messages through the strategic use of media opportunities and strategic engagement with parliamentarians.
- Establish devolved budgets throughout the operational parts of the court to ensure the best use of the SR19 settlement.
- Develop the UKSC's bid for the Spending Review 2020 and ensure the bid is accurate and safeguards the financial independence of the justices, including options on the review of fees.
- Promote the annual opportunity for lawyers to work as a judicial assistant and influence the reputation of the Court across the UK and secure outstanding appointments.
- Refine and enhance access to speeches, lectures, and other non-commercially published materials, that relate to the rule of law, particularly those with an international element.

Strategic priorities 2 and 3:

Promoting the importance of the rule of law and its role in securing democratic freedom

Promoting the visibility and helping to maintain the reputation of the UKSC and JCPC

We will:

Key objective 2: We will maintain and increase confidence in the administration of justice throughout the United Kingdom by promoting transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. We will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.

- Continuously improve our live streaming capability with a focus on enhancing sound quality and accessibility to support access to justice.
- Implement the first phase of our visitor access strategy to enhance access to the court building for those with access needs.
- Develop and test new forms of access and engagement for schools, universities and other educational establishments, with an emphasis on reaching hard-to-reach or disadvantaged groups.
- Continuously improve our visitor experience and the seek to broaden and diversify our visiting audiences whilst enhancing the experience for our priority target audiences (young people, families, local communities).
- Introduce enhanced methods of publicising relevant academic comment from overseas jurisdictions.

Strategic priority 4:

Providing an efficient and effective administration

We will:

Key objective 3: We will run an efficient and effective administration, which enables both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which we have been provided. We will operate case management systems which provide appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the justices in their work.

- Maximise commercial benefits through a combination of increased engagement with suppliers, effective governance and ensuring value for money is secured in all contracts, including the review of the security services contract.
- Define the vision, design and plan for the UKSC's transformation project which, creating a sustainable delivery strategy which supports business case development for consideration by HM Treasury.
- Define the cultural change required to deliver the transformation and establish a clear and engaging route to secure that change.
- Implement user-focused ways of operating through smarter processes and continuous improvement.
- Identify and invest in the new skills needed to lead, support and adapt to change, e.g. emotional intelligence, agile project management and Lean methodology basics.

Strategic priorities 5 and 6:

Maintaining effective relationships with all jurisdictions in the UK

Maintaining effective international relationships

We will:

Key objective 4: We will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.

Key objective 5: We will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share a common law heritage.

- Support the justices to deliver successful bi-lateral meetings with overseas jurisdictions.
- Support the justices to enhance the Court's relationship with the jurisdictions in the UK and with courts at all levels.
- Promote the work of the UKSC by delivering a successful sitting of the Court outside of London, engaging the public, media and local bodies.
- Promote the work of the JPC by delivering a successful sitting of the Court overseas (Guernsey), engaging the public, media and local bodies.
- Support the justices in the delivery of their international engagement strategy through the promotion of events and speeches in foreign and domestic media.

Strategic priority 7:

Ensuring the effective delivery of all UKSC corporate responsibilities

We will:

Key objective 6: We will demonstrate appropriate corporate social responsibility. We will promote diversity amongst our staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. We will also both source our supplies and consume our resources in ways which contribute as much as possible to sustainable development and the conservation of natural resources.

Key objective 7: As the statutory custodian of the Court's own records, we will provide the most appropriate environment we can for the organisation, preservation and future inspection of those records.

Key objective 8: As the occupants of the former Middlesex Guildhall, we will promote knowledge of, and interest in, this historic building, the works of art the building houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

- Implement the first year of the UKSC's sustainability agenda.
- Refine and amalgamate all flexible and smarter working policies in arrangements to meet, as far as reasonably practicable, the government's Smarter Working approach.
- Improve the level of staff engagement and scores in the 2020 people survey. All staff to support these improvements through active participation in at least one of the groups identified to address areas of concern arising from the previous year's survey. These groups are reviewing making recommendation on: management capabilities; leadership; pay, benefits and feeling valued and learning and development.
- Conduct an audit of all artwork displayed throughout the UKSC building, review texts and captions for all artworks, and promote through an 'artwork trail' for the public.
- Continue to send surplus and superseded material for reuse by literacy-related charitable organisations.

Our performance against other required reporting

As well as our business priorities, the UK is committed to continuous improvement in all areas.

Finance

The UKSC remained within its budgetary limits for the financial year 2019-20. The net resource budget was £6.483m, with actual expenditure of £6.133m. For capital the budget was £0.555m, with actual expenditure of £0.454m.

Our people

On 31 March 2020, our headcount had increased to 54 UKSC and JCPC employees (51.3 full time equivalents). This figure represents 42 permanent staff, 1 secondee and 11 staff on fixed term contracts. The fixed term appointments include an increase to the number of judicial assistants we recruited in September 2019.

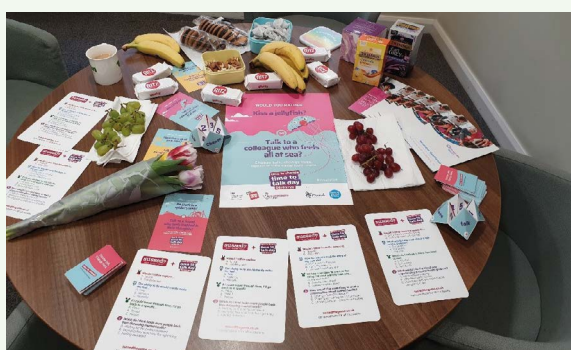
The average staff headcount for the full financial year was 51.

Sick absence management

We monitor and pro-actively manage sick absence for staff, provide support when necessary and report to Management Board on a regular basis. In the twelve months up to 31 March 2020 the average sick absence rate has increased to six days average per member of staff, impacted by some long term sick absences that have been managed appropriately and sensitively to ensure the balance between our duty of care and the needs of the business.

In focus: Time to Talk

The UKSC supported Time to Talk day on Thursday 6 February 2020 as part of a nationwide push to get people talking more openly about mental health, led by charities Mind and Rethink Mental Illness.



Time to Talk promotional materials on display in the UKSC staff room.

In 2014 the UKSC signed the Time to Change pledge to show our commitment for reducing mental health discrimination by raising awareness and giving staff an opportunity to talk whilst sharing a cup of tea.

Conversation was at the heart of the day as we used the popular game "Would you rather?" to encourage more people to talk than ever before.

Our mental health champions ran two sessions in the staff room, open to all staff. They had some treats to share for all those who popped by to say hello. It was important for us to have a large number of people participating in this event to ensure that our Time to Change pledge keeps flourishing and that we continue to spread awareness that mental health problems effect almost all of us or have touched our lives in some way.

To support staff in keeping healthy we offer Benenden Health services and arrange free flu vaccinations each autumn. We also offered free physiotherapy advice, yoga, five-a-side football, and lunchtime wellbeing-walks around St James' Park. In 2016 the court received the Healthy Workplace accreditation and has now successfully received the Healthy Workplace Charter Achievement Award for 2020 (see page 43).

We retained a pro-active and successful recruitment strategy to recruit on merit and followed the Civil Service Commissioners Recruitment Guidance using Success Profiles for any vacancies. In the past 12 months we have recruited new staff in the administration of the court, including key positions at Management Board level and a new Non-executive Director.

Recruitment

Staffing has increased as we have needed to review business areas and ensure the appropriate resources are in place to support the justices and the functions of a busy working court with additional objectives to promote the rule of law and support visitors to the building each day.

Figure 2 – Roles recruited to in 2019-20



Each year the annual JA recruitment campaign continues to attract a high calibre of qualified lawyers, and 2019 was no exception. We recruited 10 new JAs who started in September to support the justices by carrying out research in connection with appeals and summarising applications for permission to appeal.

As in previous years we encouraged applications from across the UK, and held events in Edinburgh and Belfast, with a wide range of candidates applying.

Creating a great place to work

Each year we use an annual staff survey to help measure staff engagement. This was completed in November 2019. As in previous years we received a high response rate, with over 90% of staff completing the survey.

The overall engagement score dipped from 82% in 2018 to 73% for 2019. After ten years of very high engagement scores we are using the results from 2019 as an opportunity to make improvements to the way we work together and look to find ways to increase engagement while making changes in the way things are done.

Engagement champions have been appointed to consider the main themes highlighted by the results. These themes are: pay, benefits and feeling valued, team work and communication, learning and development and management capability. The champions have set up working groups that include all members of staff and are looking at developing actions that can help influence real improvements.

Staff celebrating Christmas at the UKSC



Staff engagement scores

| Year | Staff engagement score |
|------|------------------------|
| 2010 | 86 |
| 2011 | 79 |
| 2012 | 77 |
| 2013 | 80 |
| 2014 | 77 |
| 2015 | 83 |
| 2016 | 85 |
| 2017 | 77 |
| 2018 | 82 |
| 2019 | 73 |

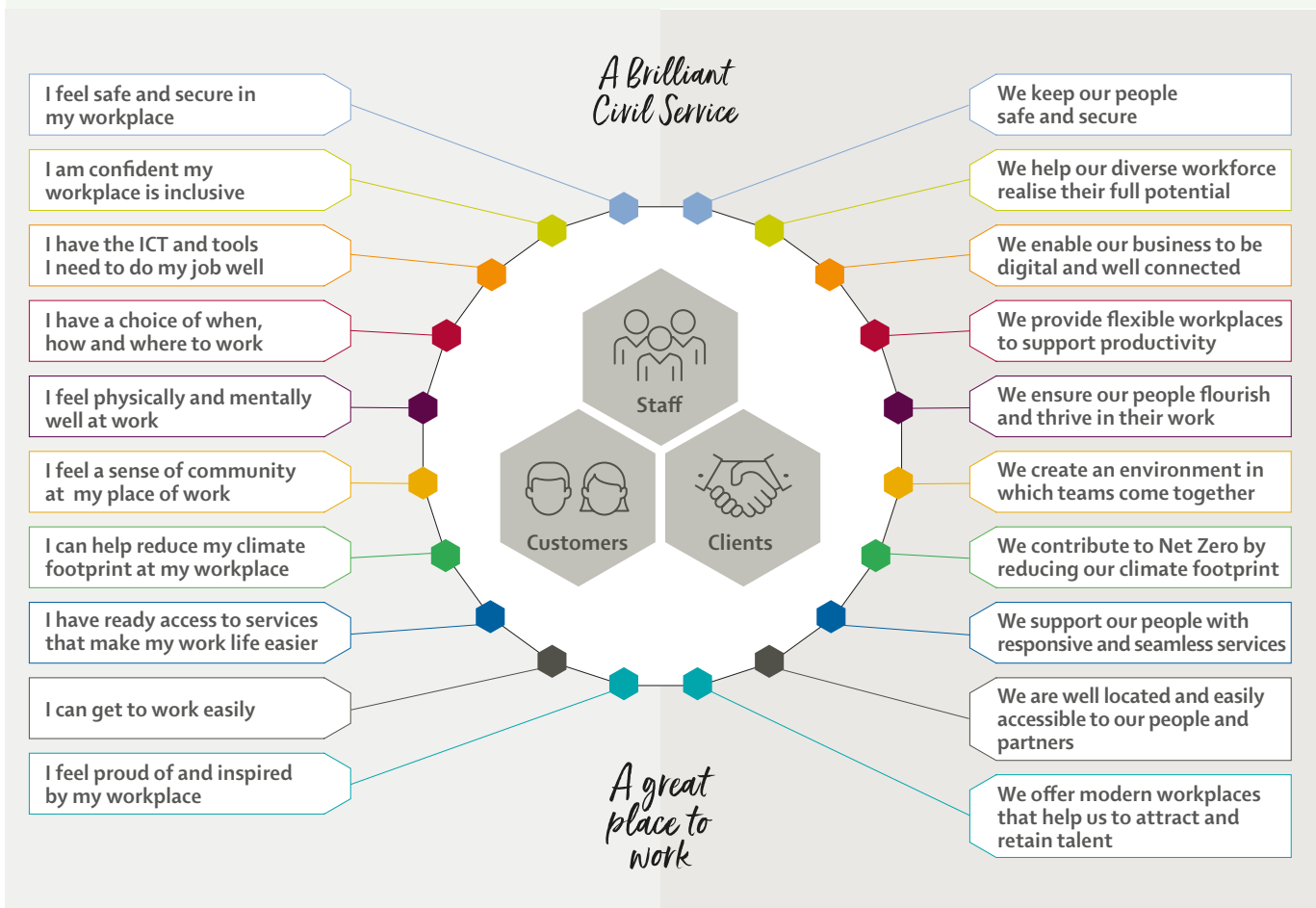
We achieved the Smarter Working accreditation and developed a Smarter Working policy to bring together flexible working and recognise how we can use the best with the building and resources available while utilising the technology available. We successfully applied for the Healthy Workplace Charter Achievement Award for 2020 to support our health and wellbeing agenda and have encouraged mentoring to share best working practices.



Delivering a great place to work

There are many factors that influence how people feel about their workplace, and we know a good workplace environment is essential to creating a great place to work.

We have developed ten workplace design and experience indicators that we use to ensure we deliver great places to work.



Supporting others

The UKSC recognises the importance in finding opportunities for different social events such as our termly quiz nights in the café to raise money for charities such as Tommy's. We also supported the London Legal Trust with the Great Legal Bake Off and the London Legal Walk in May 2019 to support free legal advice centres.

We continue to encourage different opportunities to support the local community, including our regular five-a-side football each Friday, and our choir, now known as 'Singing for

Fun', performed at a local care home in Westminster and together with the Treasury Singers in our library during December. We also encouraged staff to participate and donate to Christmas jumper day 2019 in aid of Save the Children.

We continue to have a strong relationship with a local youth club, St Andrew's, and hosted an event for them in July with the support of volunteers. We are also looking for ways to support the local community and value the connection we have built up with St Andrew's over the years.

Figure 3 – Infographic on the amount of charity donations raised by the UKSC between April 2019 and 31 March 2020

| Event | London Legal Walk | Summer quiz night | Christmas carol concert | Christmas jumper day | New Year quiz night | Great Legal Bake | Football on Friday |
|--------------|----------------------------|-------------------|-------------------------|----------------------|---------------------|----------------------------|-------------------------------|
| Date | 17 Jun 2019 | 28 Jul 2019 | 12 Dec 2019 | 13 Dec 2019 | 07 Feb 2020 | 26 Feb 2020 | 01 Apr 2019 to 31 Mar 2020 |
| Charity | London Legal Support Trust | Tommy's | Shelter | Save the Children | Tommy's | London Legal Support Trust | St Andrew's Club, Westminster |
| Money raised | £4,173 | £100 | £350 | £50 | £100 | £40 | £440 |
| Total raised | £5,253 | | | | | | |

Learning and development

We have continued to invest in the development of staff, with managers required to set at least one development objective each year to support individual training needs and support succession planning for the future.

On average each member of staff has had 3.5 days training and development in the last 12 months.

Figure 4 – Learning and development



Example training courses attended in the last 12 months include:

- Strategic thinking
- Performance management
- Deaf awareness
- IT skills – SharePoint and Excel
- Equality, diversity and inclusion
- CiLEX Legal
- Effective presentations
- ILM management
- Stress to success
- Effective communication
- Digital skills in government
- Talent management

We also continue to use the Civil Service Learning platform and the resources available here. Staff are required to complete the mandatory information assurance training module and the unconscious bias training to support greater understanding of diversity issues and the equality in the workplace.

In focus: Learning and development

“Having completed the initial studies and CILEX Certificate in Law and Practice, I am now continuing with the Professional Diploma stage of the course. Having covered the core subjects such as tort, contract, civil and criminal litigation, I have now moved on to study family law followed by family litigation. The course has been extremely helpful as it covers both legal theory and legal practice. The UKSC has been fully supportive in my studies both professionally and financially and my managers have encouraged me throughout.

“I have found the modules in the course both interesting and stimulating, allowing me to develop my knowledge in all areas of law, both criminal and civil. It has given me a fuller understanding of the issues involved in UKSC and JCPC appeals, both in a personal capacity and also assisted me in my day to day role in costs management and cost assessment work, covering the different ways that cases may be funded and a better understanding of costs fees and costs procedures.

“The legal practice modules covering legal research skills and client care skills have also been extremely useful for my professional skills development enabling me to continuously develop my legal research skills and use of the electronic resources, provided for students by CILEX.

“Being able to study part-time, initially by weekly attendance at a college and then by computer-based distance learning, has enabled me to study whilst at the UKSC and JCPC and the court has been very supportive in this respect.”

Cost Case Manager

Valuing equality and diversity

We have continued making good progress with our equality and diversity strategy and have a diverse workforce which understands and appreciates the value in difference. Our aim is to create an organisation that fully reflects the diversity of the society it serves, valuing the contribution that is made by all staff, court users and all visitors to the UKSC. We continue to be a Disability Confident Committed Employer and were awarded the certificate from www.gov.uk/disability-confident to validate this commitment until 2022.

In August 2019 we held a deaf awareness training session with Action on Hearing Loss to support greater understanding of any visitors to the court with hearing impairments.

We have continued to encourage tours and visits from all of society and maintained accessibility across the building and in everything we do.

In March 2020 we attended the Scottish Young Lawyers Association (SYLA) event on 'Women in Law' to encourage more female lawyers to consider the judicial assistant opportunity and also a career in law leading to becoming a member of the judiciary for the future.



Promoting the judicial assistant roles to the Scottish Young Lawyer's Association in Edinburgh, March 2020.

Figure 5 – UKSC staff by age, at 31 March 2020

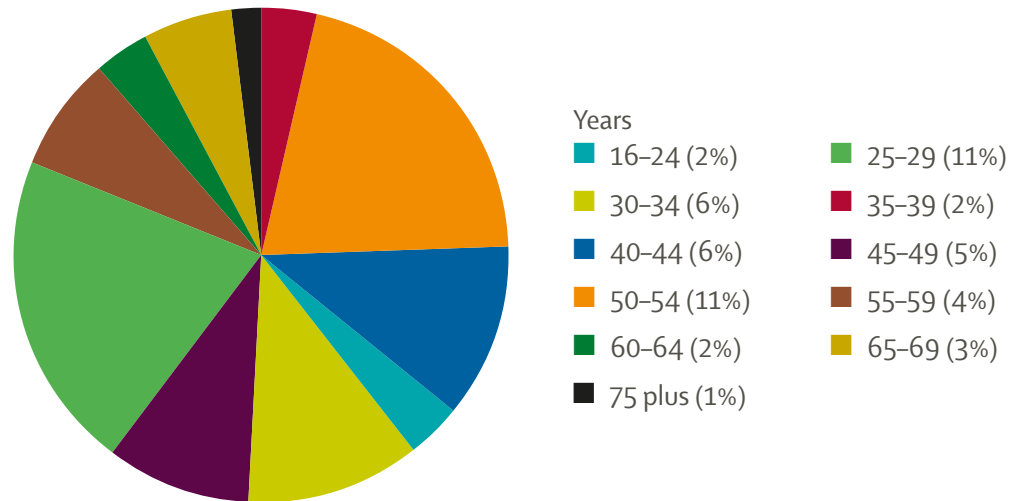


Figure 6 – UKSC staff gender split, at 31 March 2020

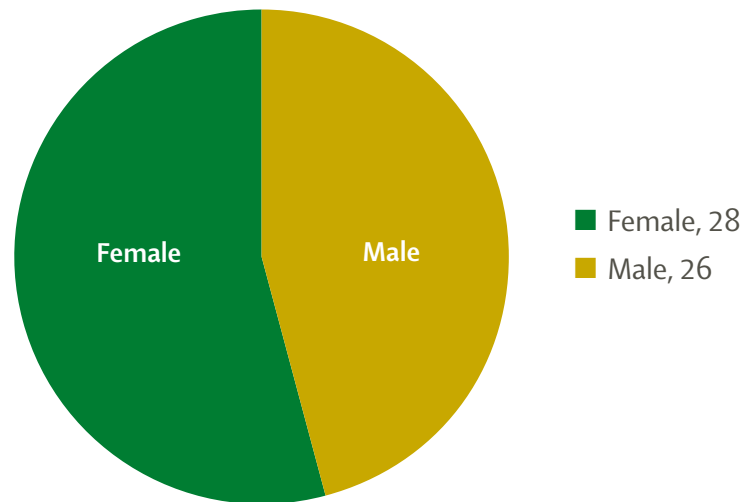
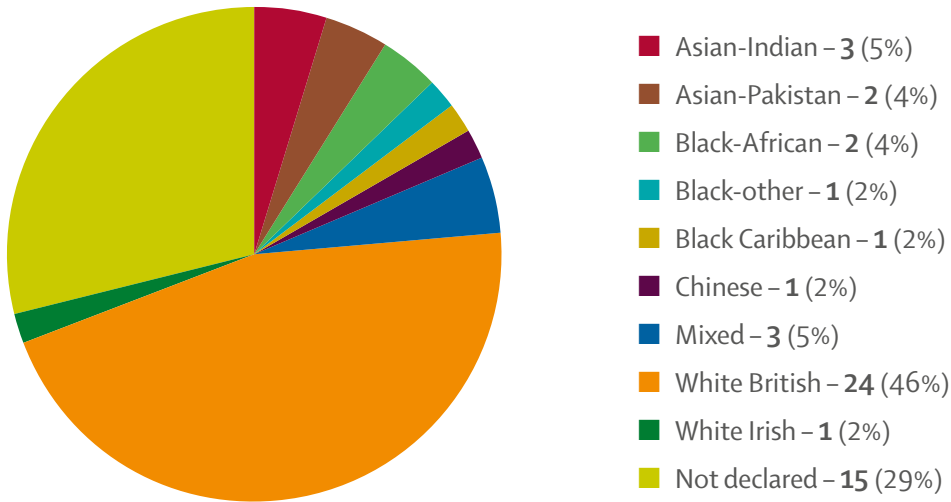


Figure 7 – UKSC staff, ethnic diversity, at 31 March 2020



Sustainability

The UKSC is committed to meeting the targets set for government departments which are related to sustainability, reducing our environmental impact and reducing our running costs in appropriate fashion.

We have had an independent sustainability survey carried out which took into account the Government Greening Commitment (GGC) targets. Over the next three years we will be implementing the recommendations of that report.

Sustainability audit 2019-20

In FY 2019-20 a Sustainability Review was commissioned, and the final report was received in March 2020. The report was necessary for the organisation to fully demonstrate that we had a strategy in place that monitored sustainability effectively and in a way that enabled us to measure progress with reductions year on year. At commencement of the review we wanted to achieve the following outcomes:

- An update to our environmental policy,
- Develop and improve how our waste streams are managed and ensure associated policies are in place to support
- Implement a 'Sustainability Action Plan' which could be supported by clear KPI's which can be used to measure progress year-on-year to FY 2023-24

While the outcomes are being reviewed by our Buildings team, they have already been able to implement organisational wide sustainability objectives for the first time, which have been implemented as of 1 April 2020:

- To use energy efficiently and, where possible, reduce energy consumption as compared to benchmark data
- To use water efficiently and, where possible, reduce water consumption as compared to benchmark data

- To reduce waste generated through the operation of the building, firstly through encouragement of reusable products, then secondly through awareness of varying waste streams
- To reduce paper waste within the building through the encouragement of paperless reporting and double-sided printing where necessary
- To source paper products with suitable FSC certification

The above measures will supplement those that we have had in place over recent years, such as the reduction of waste from our café products, reduction of number of bins in the building and replacement of bins with recycling stations.

Sustainability investment 2019-20

Over the course of 2019-20 we have continued to invest to realise a range of efficiencies which improve our environmental performance. Improvements projects completed this FY include:

- Existing light fittings were retrofitted for LED lamps, resulting in each lamp being reduced to 4W output (carbon reduction)
- Replacement of taps in public washrooms to sensor taps (water use reduction)
- Installation of new Building Management system (giving better functionality and in-built energy saving capability)
- Installation of side stream filters to main chilled water (CHW) pumps to lower the need for chemicals used and increase the efficiency of the cooling system

Year-on-year comparison carbon, gas and water use

Our use of energy over the last three years, which are those assessed within our sustainability audit reviewed period to February 2020, shows that we have a consistent energy use year-on-year. Our aim for FY 2020-21 is to establish a downward trend and avoid any increases in key areas.

Figure 8 – Electricity energy consumption

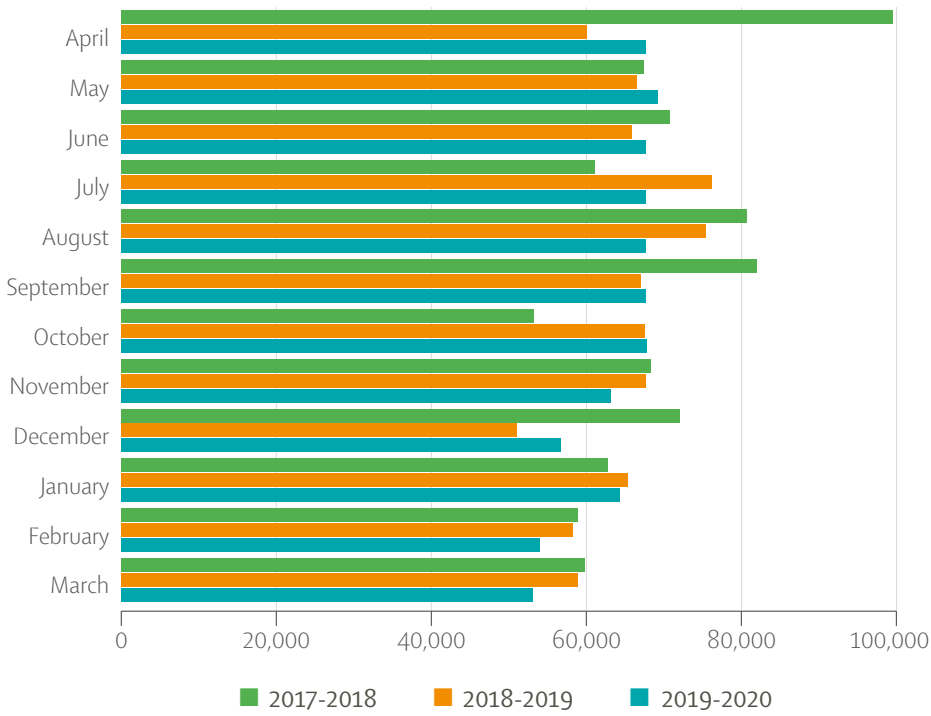


Figure 9 – Gas consumption

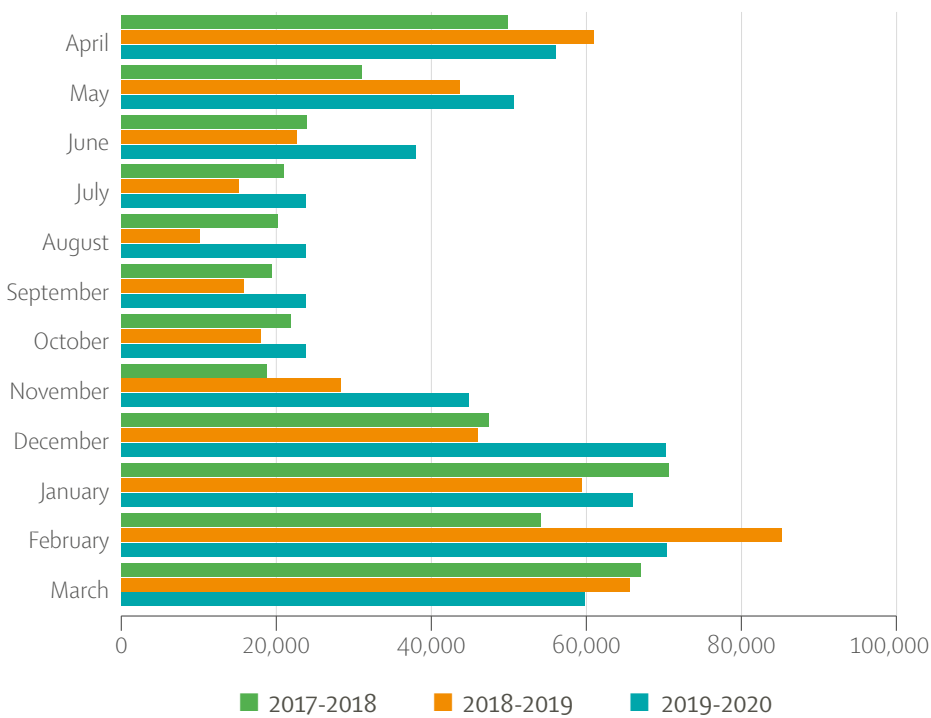
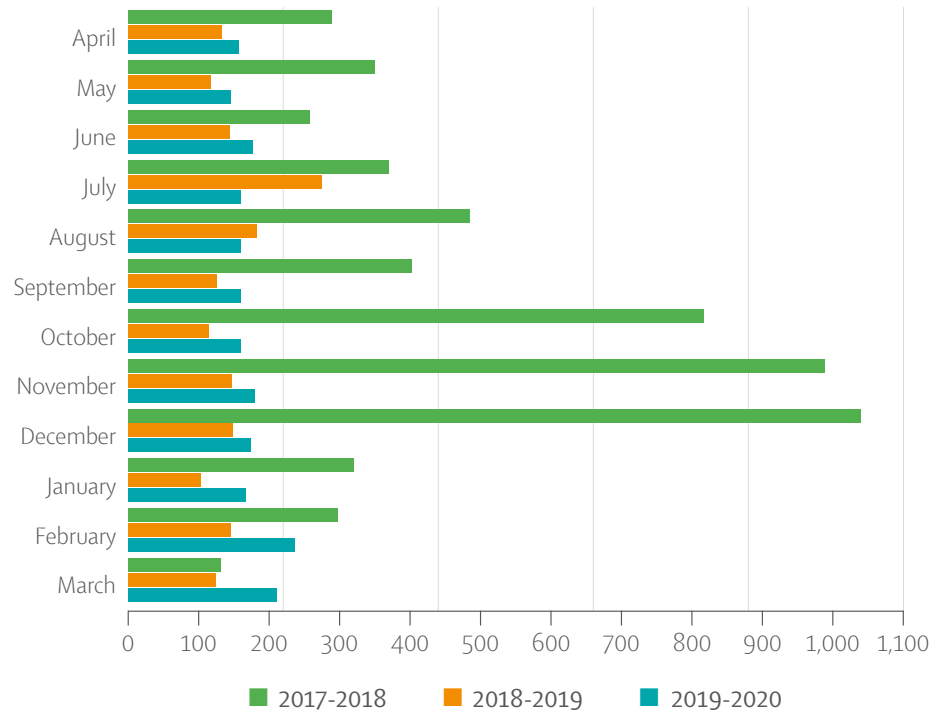


Figure 10 – Water consumption



March 2019 – February 2020 Energy consumption and carbon emissions

March 2019 – February 2020

| | Electricity (kWh) | Electricity (kgCO ₂) | Gas (kWh) | Gas (kgCO ₂) | Energy total (kWh) | Carbon total (kgCO ₂) |
|---------------|----------------------|-------------------------------------|----------------|-----------------------------|-----------------------|--------------------------------------|
| March | 58,880 | 14,931 | 55,995 | 10,276 | 114,875 | 25,206 |
| April | 67,670 | 17,160 | 50,632 | 9,291 | 118,302 | 26,451 |
| May | 69,200 | 17,548 | 38,054 | 6,983 | 107,254 | 24,531 |
| June | 67,705 | 17,169 | 23,802 | 4,368 | 91,507 | 21,537 |
| July | 67,705 | 17,169 | 23,802 | 4,368 | 91,507 | 21,537 |
| August | 67,705 | 17,169 | 23,802 | 4,368 | 91,507 | 21,537 |
| September | 67,705 | 17,169 | 23,802 | 4,368 | 91,507 | 21,537 |
| October | 67,770 | 17,185 | 44,826 | 8,226 | 112,596 | 25,411 |
| November | 63,100 | 16,001 | 70,244 | 12,890 | 133,344 | 28,891 |
| December | 56,690 | 14,375 | 65,994 | 12,111 | 122,684 | 26,486 |
| January | 64,290 | 16,303 | 70,335 | 12,907 | 134,625 | 29,210 |
| February | 54,050 | 13,706 | 59,836 | 10,981 | 113,886 | 24,687 |
| Totals | 772,470 | 195,883 | 551,124 | 101,137 | 1,323,594 | 297,020 |

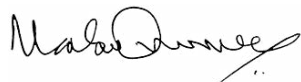
Complaints to the Parliamentary and Health Service Ombudsman (PHSO) and complaints handling

The UKSC has in place established procedures to deal with all complaints received.

www.supremecourt.uk/about/judicial-conduct-and-complaints.html

In 2019–20 no complaints about the UKSC resulted in an investigation by the Parliamentary and Health Service Ombudsman. Over the course of the year we did see an increase in the number of complaints received and will ensure that during 2020–21 this is treated as a priority.

Signed on behalf of the UKSC by



Mark Ormerod
Chief Executive and Accounting Officer
9 September 2020

Section THREE

Jurisdiction and casework



INJUSTICE ANYWHERE IS A THREAT TO JUSTICE EVERYWHERE
WHATEVER WE ARE CAUGHT IN AN INESCAPABLE NETWORK © MUTUALITY
TIED IN A SINGLE GARMENT OF DESTINY
DIRECTLY AFFECTS ONE INDIRECTLY

*the first and of a man
is the second and the
investigation of truth*

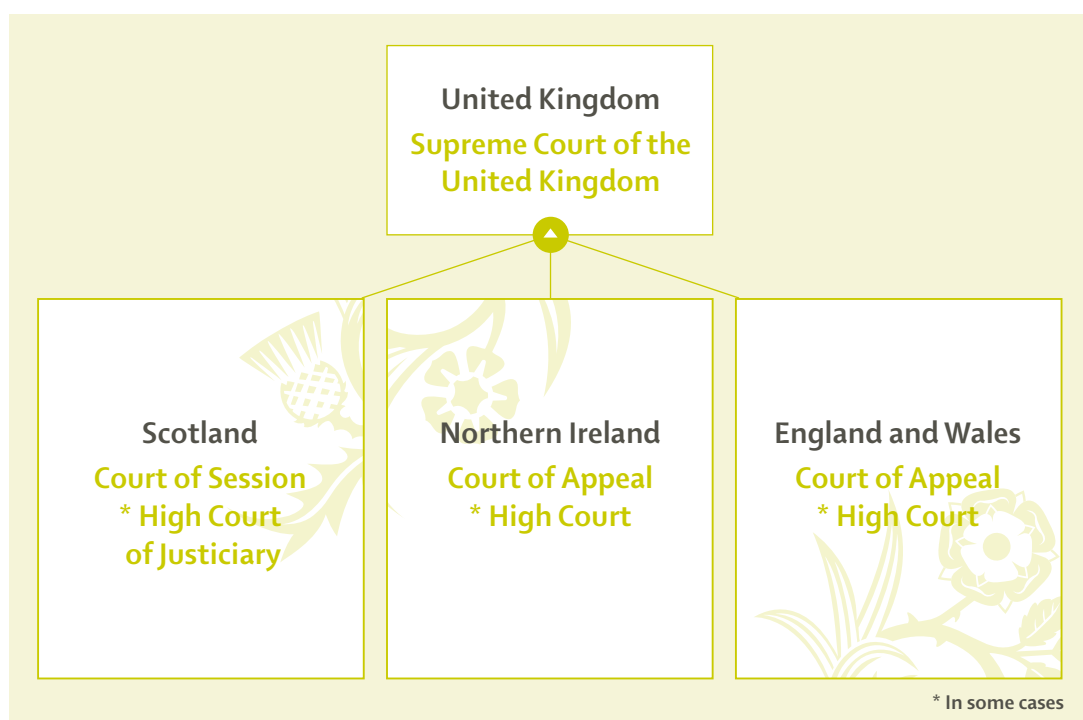
*Justice
is truth in*

The Supreme Court of the United Kingdom

The UKSC is the UK's highest court of appeal and plays an important role in the development of United Kingdom law. Its decisions go beyond the parties involved in any given case and directly affect everyday lives.

The UKSC hears appeals from the following courts in each jurisdiction:

Appeals to the UKSC



Terms and abbreviations used in this Section:

Appeal as of right = an appeal where a lower court has granted permission to appeal

PTA = (application for) permission to appeal

CJEU = Court of Justice of the European Union

UKSC by numbers

A year in the UKSC

Overview of work done in the Court in 2019–20

**232** PTAs filed***238** PTAs determined***70** appeals filed**10** appeals as of right filed**81** appeals heard**58** appeals determined****54** judgments delivered****170** procedural applications filed**3** references to the CJEU

* Figures apply to outcomes during the working year: some work will have come in to the Registry in the previous year.

** The difference between the number of appeals determined and the number of judgments delivered arises because some judgments involve multiple appeals, and not all appeals progress to a hearing: for instance an appeal may be withdrawn or struck out.

Under its devolution jurisdiction, the UKSC can be asked to give judgments on questions as to whether the acts of the devolved administrations in Scotland, Wales and Northern Ireland are within the powers given to them by the UK Parliament.

The UKSC can also be asked to scrutinise bills of the Scottish Parliament, bills of the Northern Ireland Assembly and bills of the National Assembly for Wales (since May 2020 the Welsh Parliament). This is to see whether the devolved legislatures have competence in the area of the bill.

Rules and Practice Directions

The UKSC has its own rules and Practice Directions and it must interpret and apply the rules with a view to securing that the Court is 'accessible, fair and efficient and that unnecessary disputes over procedural matters are discouraged'.

The Court's procedure is kept under review and feedback from users is welcomed – both formally through our User Group, or informally in other ways, for instance, on reducing the amount of hard copy material the parties provide.

Procedure for appealing PTAs

In most cases an appellant requires permission to appeal before he or she can bring a case to the UKSC and these applications are generally decided on paper by a panel of three justices, without an oral hearing. There have been two oral permission hearings during the year.

Once the necessary documents have been provided, an application for permission will normally be determined within 12 sitting weeks. Urgent cases can be dealt with within 14 days or even less. The UKSC can and has arranged hearings within weeks of the grant of permission in urgent cases. Examples this year include *R v Copeland* (PTA application referred to justices on 14 November 2019 and determined on 3 December 2019).

Figure 11 – UKSC PTAs determined in 2019-2020 by subject

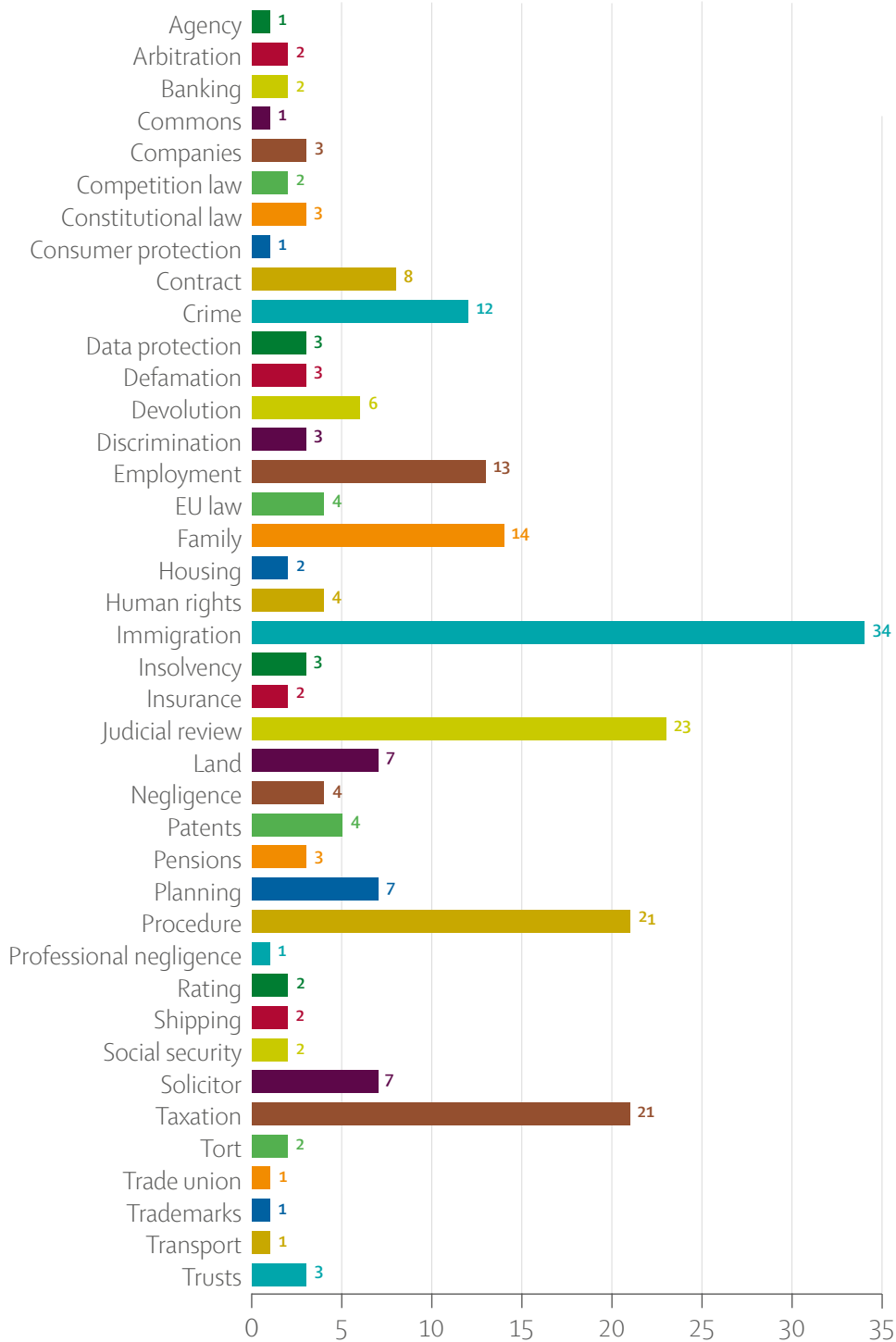
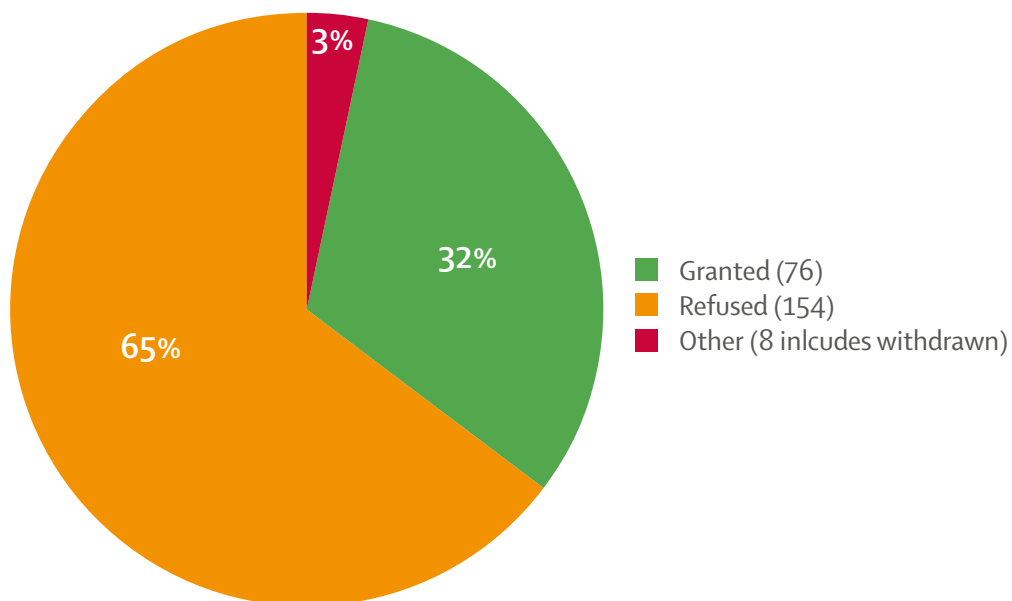


Figure 12 – UKSC PTA results 2019-2020



Third parties can apply to intervene in appeals. Over the course of the year 54 such applications were made and 41 were granted.

For more detail see www.supremecourt.uk/procedures/how-to-appeal.html

Figure 13 – UKSC appeal outcomes in 2019-2020

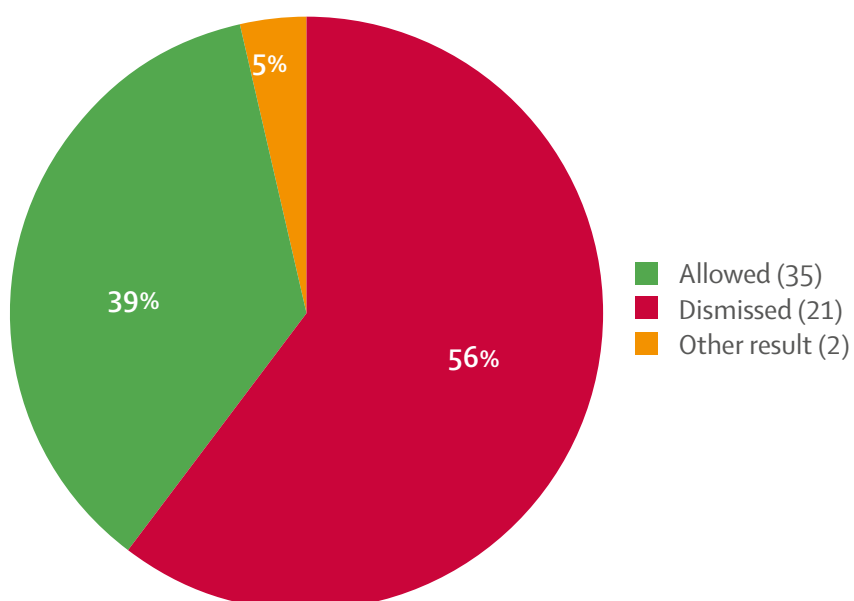
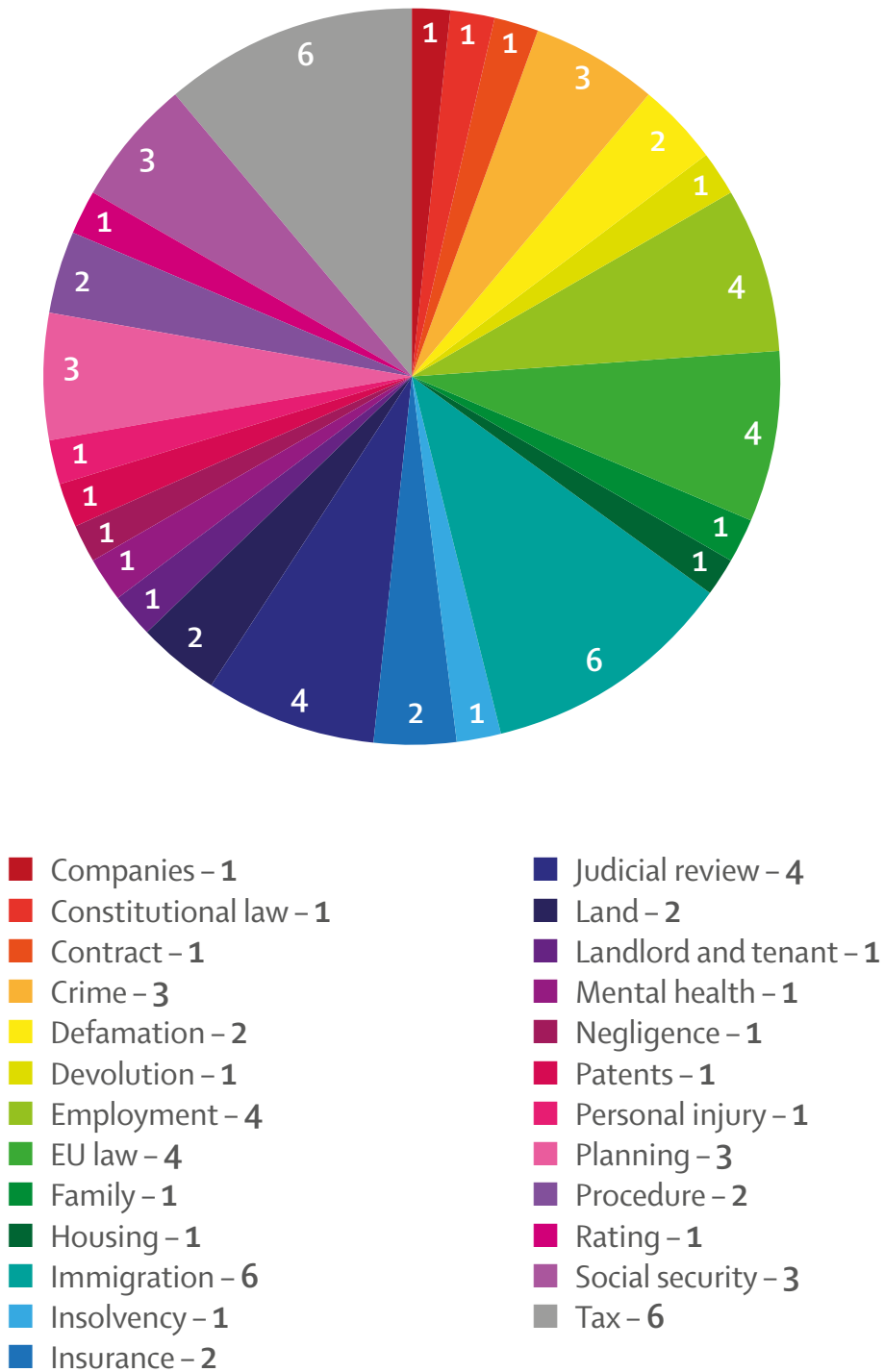


Figure 14 – UKSC judgments by subject 1 April 2019–20



Appeals

Once permission to appeal has been granted, a hearing date is set.

The UKSC’s target remains for all appeals to be listed for hearing within nine months of the grant of permission. The Court, however, seeks to arrange hearings according to the availability of parties’ legal representatives. In practice, it is this factor alone which can prolong the ‘life’ of an appeal as instructing new advocates if their advocate of choice is not available within the target period involves the parties incurring considerable extra expense.

The UKSC deliberately allows some gaps in its listing to enable cases such as these to be heard.

Scotland and Northern Ireland

Figure 15 – UKSC Scottish cases: 2019-2020

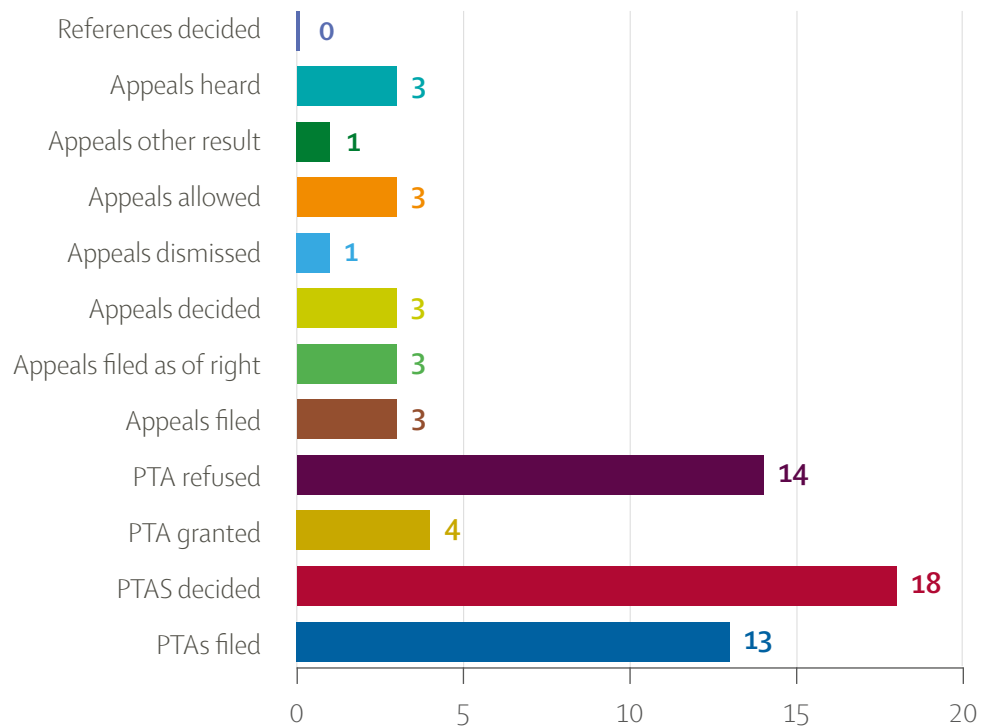
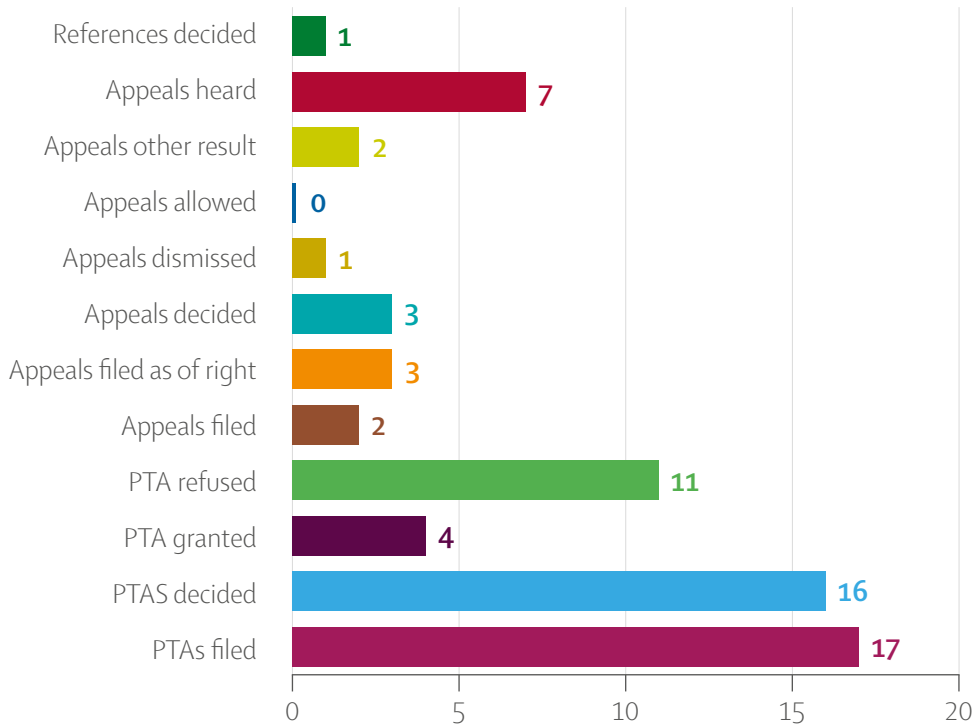


Figure 16 – UKSC Northern Ireland cases: 2019-2020



For five-year comparisons of Scottish and Northern Irish cases see Figures 23 and 24.

References to the CJEU

The Court may order a reference to the CJEU either before determining whether to grant permission to appeal (in which case proceedings are stayed until the reference is dealt with) or after hearing an appeal. The UKSC made three references to the CJEU in 2019-20 after hearing appeals. In five cases it declined to make a reference when refusing permission to appeal.

Size of panels hearing cases

The UKSC justices usually sit in panels of five, but sometimes in panels of seven or nine. When a panel decides to grant permission to appeal, a recommendation

is made if the panel considers more than five justices should sit. The criteria for making such a recommendation are available on our website.

Easter term 2019 (30 April – 24 May 2019)

Seven justices sat on the following appeal:

- Sevilleja (Respondent) v Marex Financial Ltd (Appellant) – UKSC 2018/0178
- **Trinity Term 2019
(4 June – 31 July 2019)**

Seven justices sat on the following appeal:

- Elgizouli (Appellant) v Secretary of State for the Home Department (Respondent) – UKSC 2019/0057

**Michaelmas Term 2019
(1 October – 20 December 2019)**

Seven justices sat on the following appeals:

- Aspen Underwriting Ltd and others (Appellants) v Credit Europe Bank NV (Respondent) – UKSC 2018/0229
- Aspen Underwriting Ltd and others (Respondents) v Credit Europe Bank NV (Appellant) – UKSC 2018/0230

**Hilary Term 2020
(13 January – up to 8 April 2020)**

Seven justices sat on the following appeal:

- Test Claimants in the Franked Investment Income Group Litigation and others (Respondents) v Commissioners for Her Majesty’s Revenue and Customs (Appellant) – UKSC 2016/0228 and UKSC 2016/0229

In September 2019, 11 justices sat for the following (linked) appeals:

- R (on the application of Miller) (Appellant) v The Prime Minister (Respondent)
- Cherry and others (Respondents) v Advocate General for Scotland (Appellant) (Scotland)

Comparing outcomes over the past five years

Figure 17 – UKSC PTAs filed 2015-2020

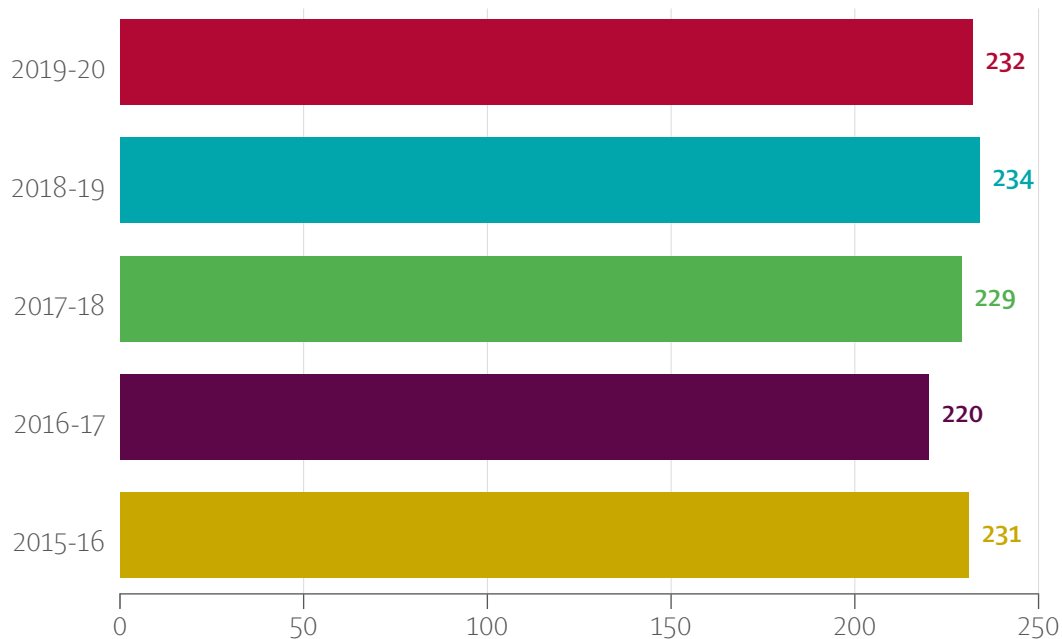


Figure 18 – UKSC work filed in the Registry 2015-2020

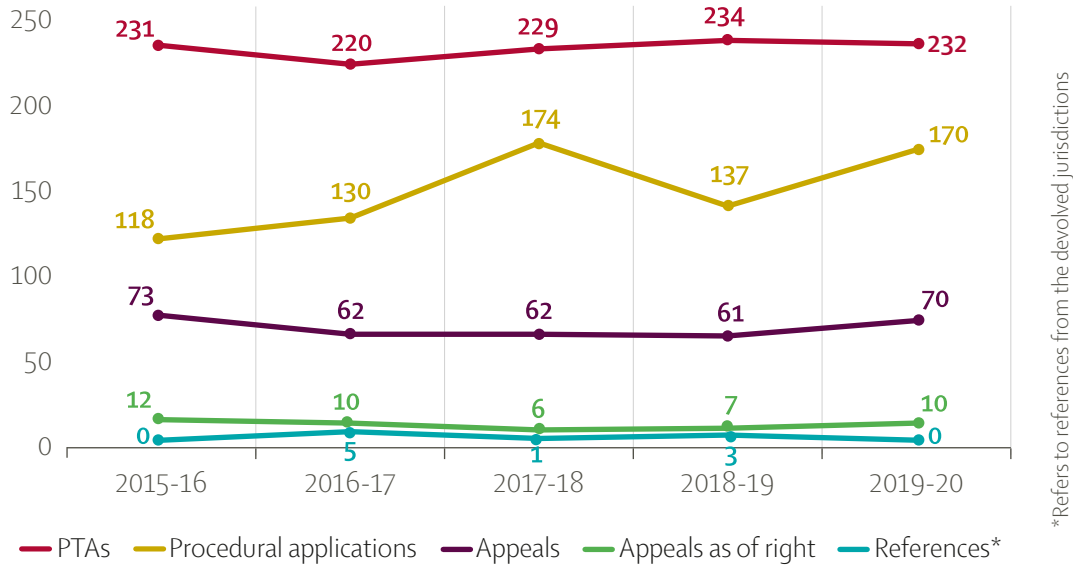


Figure 19 – UKSC and JCPC PTAs filed 2015-2020

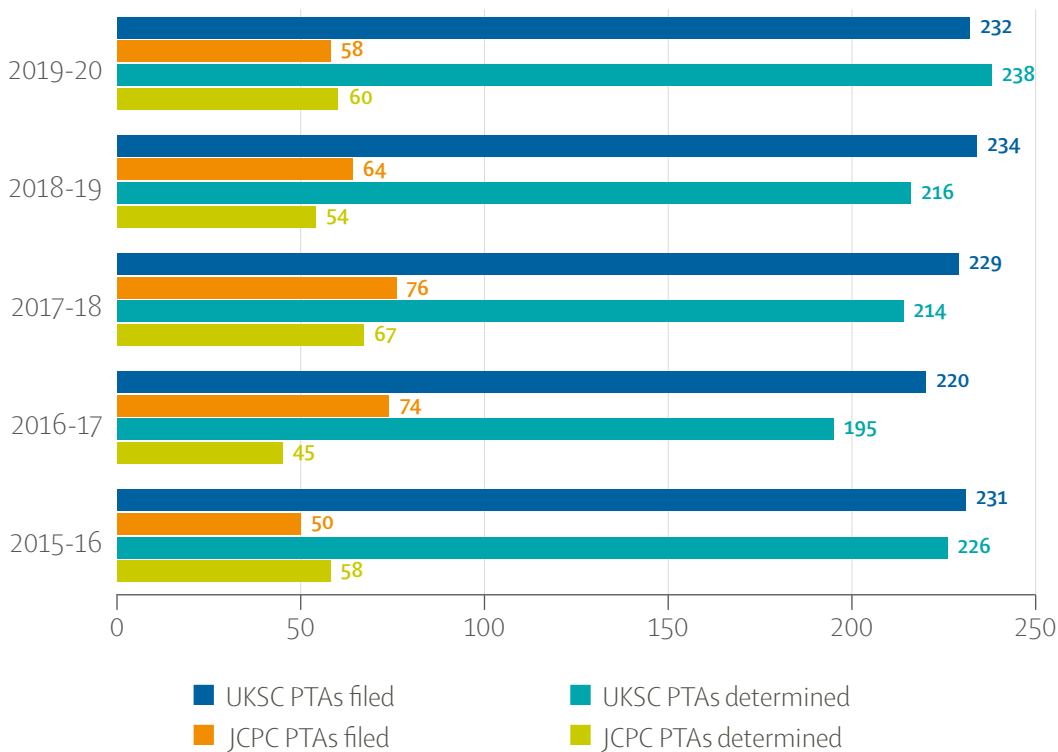
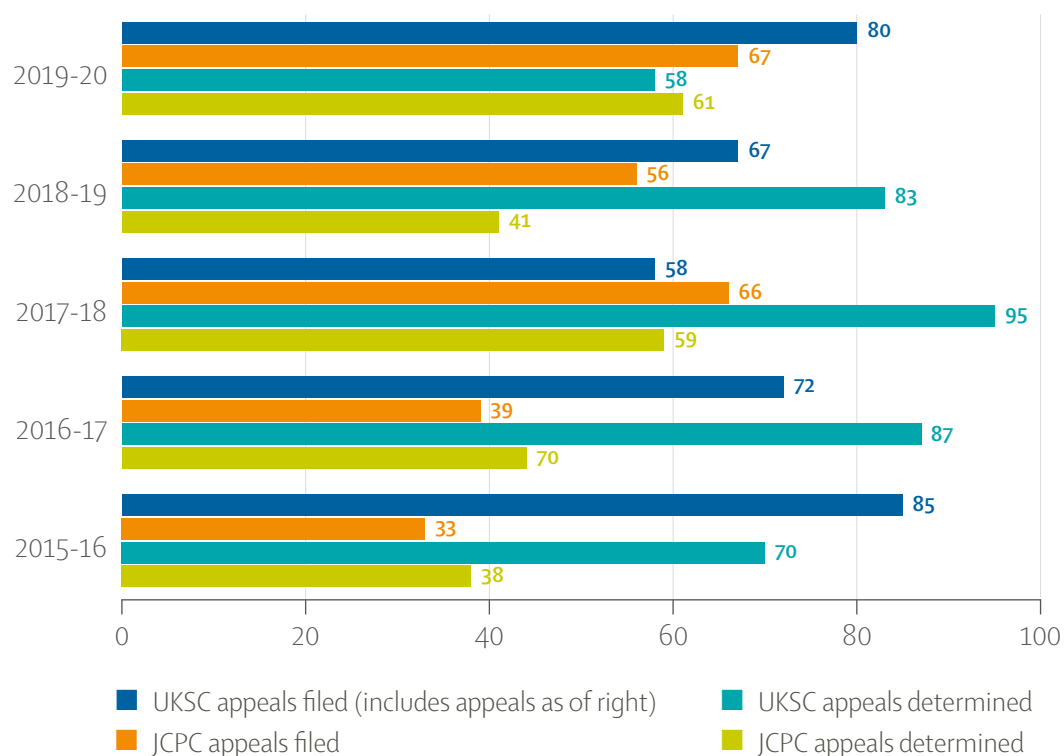
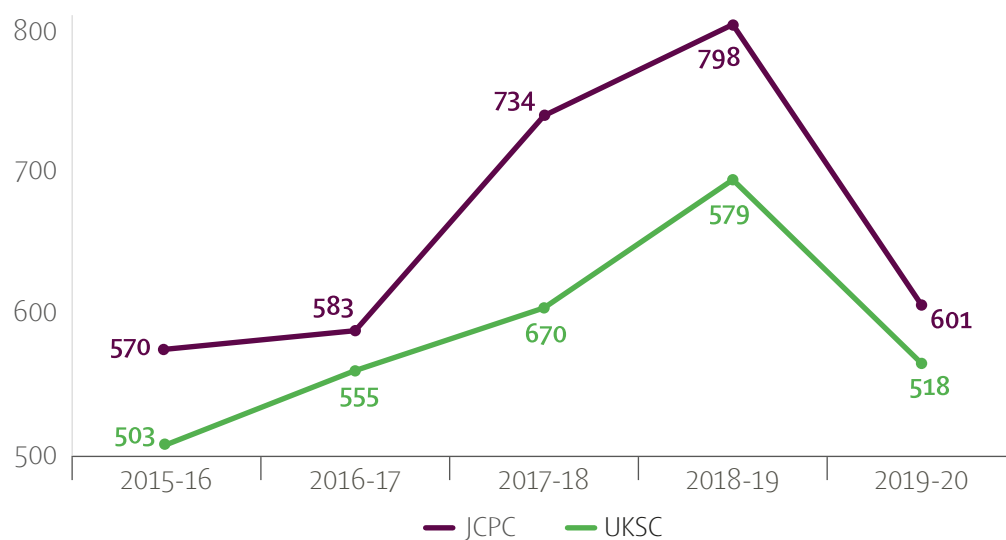


Figure 20 – UKSC and JCPC appeals filed 2015-2020 (includes appeals as of right)

Figure 21 – UKSC and JCPC: average number of days from filing to disposal
2015-2016 to 2019-2020

The spike in time taken in the JCPC in 2017-18 and 2018-19 is because several cases were determined in those years which had been filed as far back as 2011 and 2012 and whose procedural history was complex.

Figure 22 – UKSC appeal outcomes 2015-20

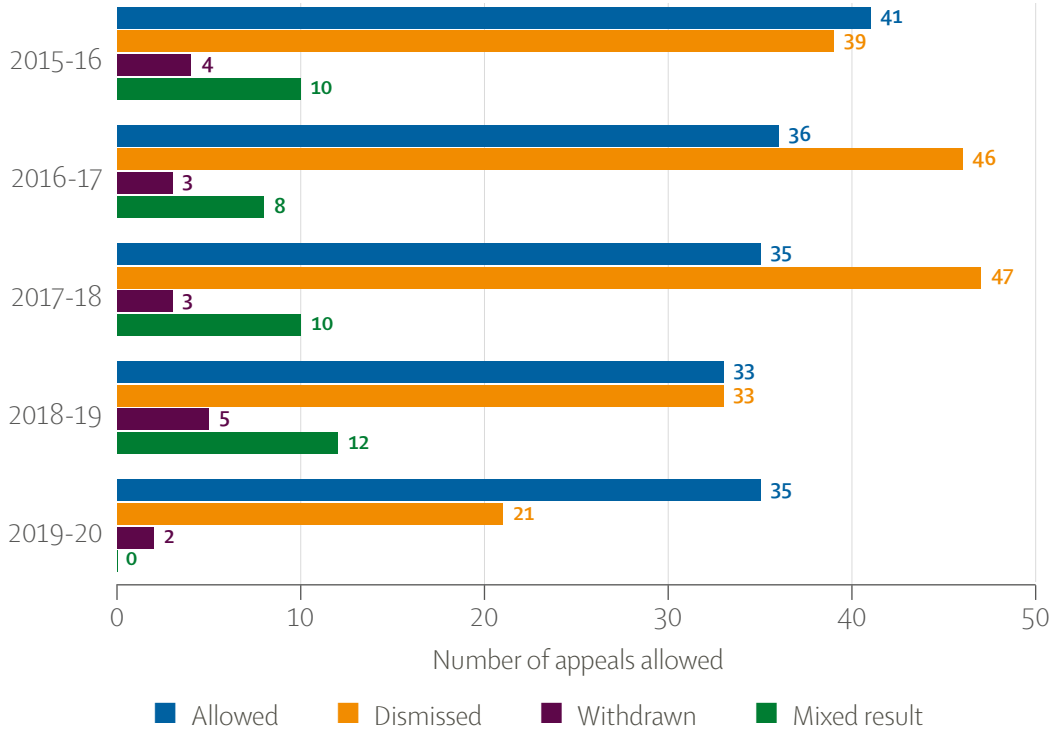


Figure 23 – Overview of Scottish cases 2015-20

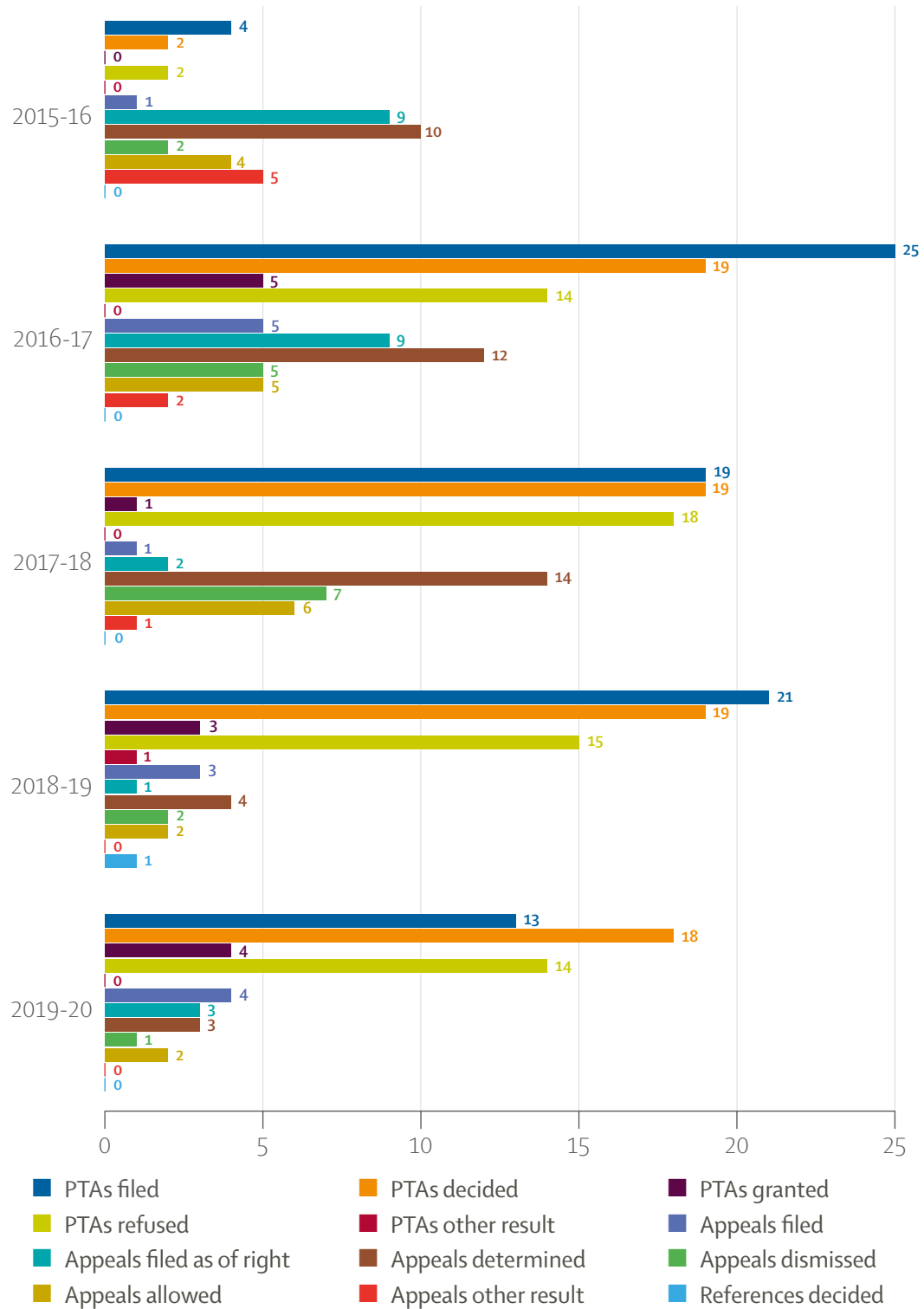
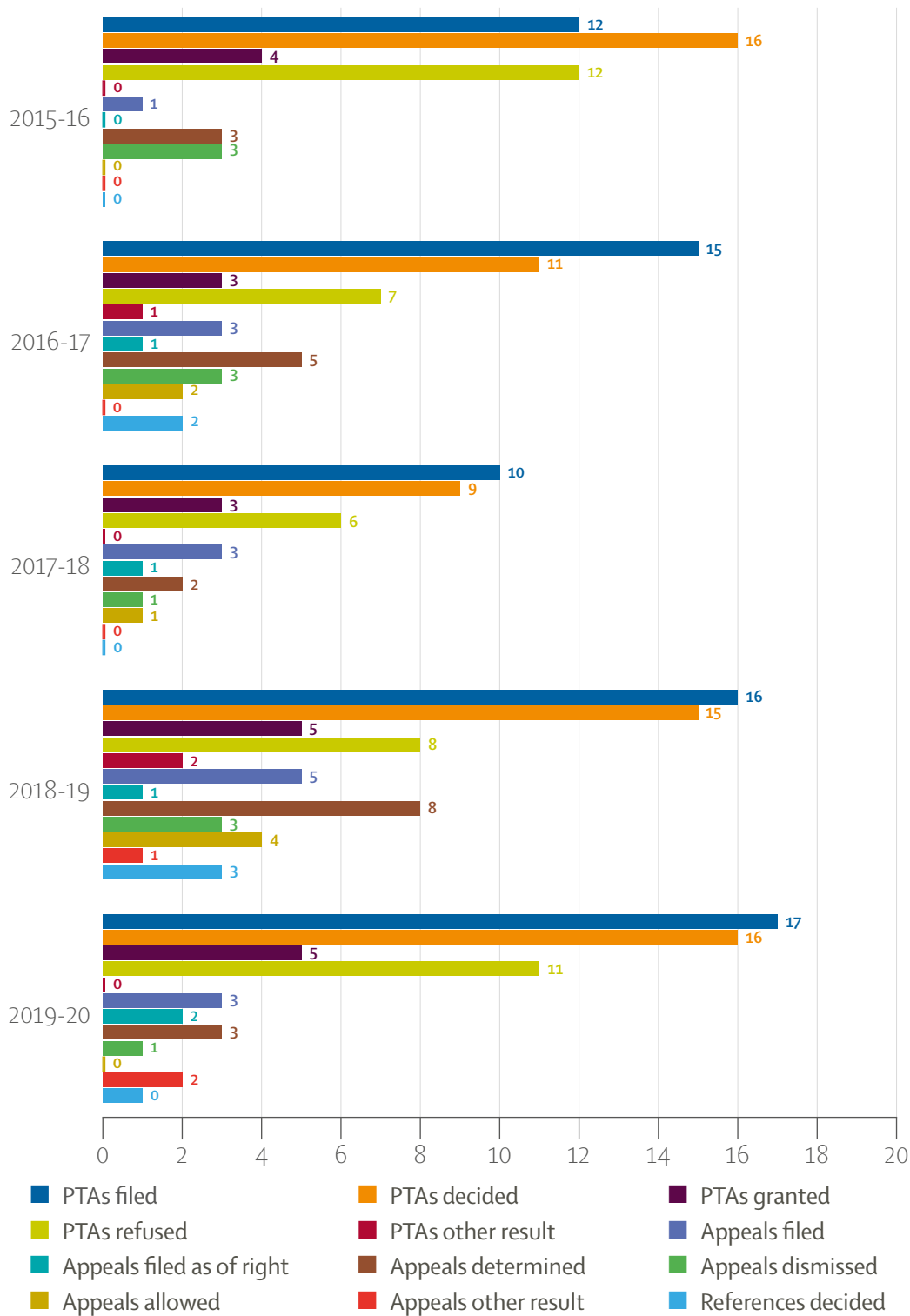


Figure 24 – Overview of Northern Irish cases 2015-20



Cases and judgments

The UKSC publishes all its decided cases as soon as judgments have been handed down. Since it is the final court of appeal for all United Kingdom civil cases and for criminal cases from England, Wales and Northern Ireland, the appeals it hears span a wide range of issues. What they have in common is that every appeal heard by the UKSC raises an arguable point of law of general public importance.

The following examples show the breadth of the cases decided this year:

Stocker v Stocker **[2019] UKSC 17**

This defamation case concerned the meaning of words posted on a Facebook wall.

Mr and Mrs Stocker were formerly husband and wife. After their marriage ended, an exchange between Mrs Stocker and Mr Stocker's new partner took place on Facebook. In this exchange, Mrs Stocker said that Mr Stocker had "tried to strangle" her.

Mr Stocker brought defamation proceedings against Mrs Stocker. His claim succeeded in the lower courts. The trial judge referred to the Oxford English Dictionary definitions of the verb 'strangle'. He therefore concluded that the phrase 'strangle' meant that Mr Stocker had "attempted to kill" Mrs Stocker.

The UKSC unanimously allowed Mrs Stocker's appeal. It held that the trial judge erred in law by using dictionary definitions as the starting point of his analysis of meaning. He also failed properly to take into account the context of the Facebook post. The UKSC said:

- Through relying on the dictionary definitions, the trial judge fell into legal error. He therefore failed to conduct a realistic exploration of how an ordinary reader of Mrs Stocker's Facebook post would have understood it.
- The Court should be particularly conscious of the context in which a statement is made. The search for meaning of a Facebook post should reflect the fact that Facebook is a casual medium that is similar to a conversation. People scroll through Facebook quickly and their reaction to posts is impressionistic and fleeting.
- An ordinary reader of Mrs Stocker's Facebook post would have interpreted it as meaning that Mr Stocker had grasped Mrs Stocker by the throat and applied force to her neck, not that he had tried to kill her. Mrs Stocker's defence of justification should therefore succeed.

Read the judgment www.supremecourt.uk/cases/uksc-2018-0045.html

R (on the application of DA and others) v Secretary of State for Work and Pensions**R (on the application of DS and others) v Secretary of State for Work and Pensions****[2019] UKSC 21**

In this case, the UKSC dismissed an appeal challenging the lawfulness of legislative provisions relating to the revised benefit cap.

The revised benefit cap was introduced by the Welfare Reform and Work Act 2016 and aimed to incentivise work. It reduced the annual benefits limit for couples and lone parents from £26,000 to £20,000 (£23,000 for those living in Greater London). Single people, including lone parents, were exempt from the revised cap if they worked for at least 16 hours per week.

The appellants argued that these provisions unlawfully discriminated against the lone parents of young children. This was because it treated them in the same way as others subjected to the cap, even though the cap affected them differently because their childcare obligations severely limited their ability to work. The appellants also claimed that the cap unlawfully discriminated against the children of lone parents.

The UKSC dismissed the appeal by a majority of 5-2, finding in favour of the government.

The UKSC acknowledged that the revised benefit cap has had a major impact on lone parent households with children under five, particularly on those with children under two. The cap could take these households well below the poverty line. This engaged both the parents' and children's right to respect for their family life under Article 8 of the European Convention on Human Rights.

The UKSC construed the claim in light of the United Nations Convention on the Rights of the Child, which requires public authorities to treat the child's best interests as a primary consideration. On the facts, it found that the government could justify the discrimination in this case because it was not manifestly without reasonable foundation.

The evidence showed that the government had evaluated the likely impact of the revised benefit cap on lone parents with young children and had assessed the children's best interests. The government's belief that there are better long-term outcomes for children in households where an adult works was a reasonable foundation for treating lone parent households with young children in the same way as others.

Read the judgment www.supremecourt.uk/cases/uksc-2018-0061.html

**R (on the application of Miller)
v The Prime Minister**
**Cherry and others v Advocate General
for Scotland (Scotland)**
[2019] UKSC 41

These appeals were about the lawfulness of the Prime Minister's advice to Her Majesty the Queen to prorogue Parliament. This advice was given in exceptional circumstances in the weeks before the United Kingdom's planned withdrawal from the European Union on 31 October 2019. However, the appeals were not about when and on what terms the United Kingdom was to leave the European Union.

Because of the importance of the appeals, the UKSC convened a panel of eleven justices, the maximum number of serving justices who are permitted to sit. In the unanimous judgment of all eleven justices, the UKSC held that:

- The lawfulness of the Prime Minister's advice to Her Majesty is justiciable. There is no doubt that the courts have jurisdiction to decide on the existence and limits of a prerogative power. The UKSC therefore had jurisdiction in this case, because it was about the limits of the power to advise Her Majesty to prorogue Parliament.

- A decision to prorogue (or to advise Her Majesty to prorogue) will be unlawful if the prorogation has the effect of frustrating or preventing Parliament's ability to carry out its constitutional functions, without reasonable justification. In judging any justification that is put forward, the courts must be sensitive to the responsibilities and experience of the Prime Minister and proceed with appropriate caution.
- On the facts, the Prime Minister's decision to advise Her Majesty to prorogue was unlawful, void and of no effect. This is because it prevented Parliament from carrying out its constitutional role for five of the possible eight weeks between the end of the summer recess and 31 October 2019. This was not a normal prorogation in the run-up to a Queen's speech, and no justification for taking action with such an extreme effect was put before the UKSC.
- Since the Prime Minister's advice to Her Majesty was unlawful, void and of no effect, the resulting Order in Council was also unlawful, void and of no effect and should be quashed. This meant that Parliament had not been prorogued.

Read the judgment www.supremecourt.uk/cases/uksc-2019-0192.html

Shanks v Unilever Plc and others [2019] UKSC 45

In this case, the UKSC held that a scientist was entitled to compensation because the patents for his invention were of outstanding benefit to his employer.

Professor Shanks was employed by Unilever UK Central Resources Ltd (CRL), a Unilever subsidiary, from 1982 to 1986. During this time, he invented a prototype of what is now known as an electrochemical capillary fill device. This technology is used in most glucose testing products, which are used by diabetics to monitor their condition.

The rights to Professor Shanks' invention belonged to CRL from the outset under the Patents Act 1977. CRL assigned those rights to Unilever for £100. Over time, Unilever's net benefit from the patents relating to Professor Shanks' invention was £24.3 million, worth about £40 million today. Professor Shanks applied for compensation under section 40 of the 1977 Act on the basis that the Shanks patents had been of outstanding benefit to CRL and that he was entitled to a fair share of that benefit. His application failed before the Comptroller and his appeals to the High Court and the Court of Appeal were dismissed.

The UKSC unanimously allowed Professor Shanks' appeal. It held that the correct approach is to look at the commercial reality of the situation. Where a group company operates a research facility for the benefit of the whole group and the research results in patents which are assigned to other group members for their benefit, the focus of the inquiry into whether any one of those patents is of outstanding benefit to the company must be the extent of the benefit of that patent to the group and how that compares with the benefit the group has gained from other patents arising from the research.

Here, the benefit of Professor Shanks' patents to Unilever was outstanding because the rewards Unilever enjoyed were substantial and significant, were generated at no significant risk, reflected a very high rate of return, and stood out in comparison with the benefit Unilever derived from its other patents. It was no answer that the patents had no significant impact on Unilever's overall sales or profits.

Professor Shanks was therefore entitled to £2 million, which the UKSC held represented a fair share of the benefit to Unilever.

Read the judgment www.supremecourt.uk/cases/uksc-2017-0032.html

R v Reeves Taylor (AP)**[2019] UKSC 51**

In this case, the UKSC held that the offence of torture under the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment 1984 (the UN Convention) can be committed by non-state actors.

The appellant was arrested in 2017 and charged with one count of conspiracy to commit torture and seven counts of torture under section 134 of the Criminal Justice Act 1988 (the CJA). The charges related to events in the early stages of the first Liberian civil war in 1990, when an armed group, the National Patriotic Front of Liberia, took control of parts of Liberia.

Section 134 implements certain of the United Kingdom's obligations under the UN Convention into domestic law. Under section 134(1), the offence of torture can only be committed by a public official or "person acting in an official capacity". The appeal was therefore concerned with a narrow but important point of law: what does "person acting in an official capacity" mean in section 134(1) of the CJA?

By a majority (Lord Reed dissenting), the UKSC held that a "person acting in an official capacity" is not limited to individuals acting for or on behalf of a state. Rather, it includes those who act or purport to act, otherwise than in a private and individual capacity, for or on behalf of an organisation or body which exercises, in the territory controlled by that organisation or body and in which the relevant conduct occurs, functions normally exercised by governments over their civilian populations. It does not matter if the person was acting in peace time or during an armed conflict.

To decide whether or not an organisation or body exercises governmental functions over the relevant area, it is necessary to look at the reality of the particular situation. The key question is whether the entity has established a sufficient degree of control, authority and organisation to become an authority exercising official or quasi-official powers, as opposed to a rebel faction or mere military force.

Read the judgment www.supremecourt.uk/cases/uksc-2019-0028.html

The Judicial Committee of the Privy Council

The JCPC is the court of final appeal for the UK Overseas Territories and Crown dependencies and for those Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of republics, to the JCPC.

A list of the relevant countries is in the Annex. The substantive law which the JCPC applies is the law of the country or territory from which the appeal comes. The JCPC therefore plays an important role in the development of law in the various constituent jurisdictions and the impact of its decisions extends far beyond the parties involved in any given case, and often involves questions arising out of the relevant constitution and/or the fundamental rights and freedoms of the inhabitants of the country or territory.

The JCPC also has jurisdiction in a number of miscellaneous areas such as appeals from the Disciplinary Committee of the Royal College of Veterinary Surgeons, certain maritime disputes and non-doctrinal ecclesiastical matters.

JCPC by numbers

A year in the JCPC

Overview of work done in the Court in 2019–20



58 PTAs filed*

64 PTAs determined*



10 appeals filed

57 appeals as of right filed



40 appeals heard

61 appeals determined**



45 judgments delivered**



67 procedural applications filed

* Figures apply to outcomes during the working year: some work will have come in to the Registry in the previous year.

** The difference between the number of appeals determined and the number of judgments delivered arises because some judgments involve multiple appeals, and not all appeals progress to a hearing: for instance an appeal may be withdrawn or struck out.

Rules and Practice Directions

The underlying procedure of the JCPC is in many respects the same as that of the UKSC.

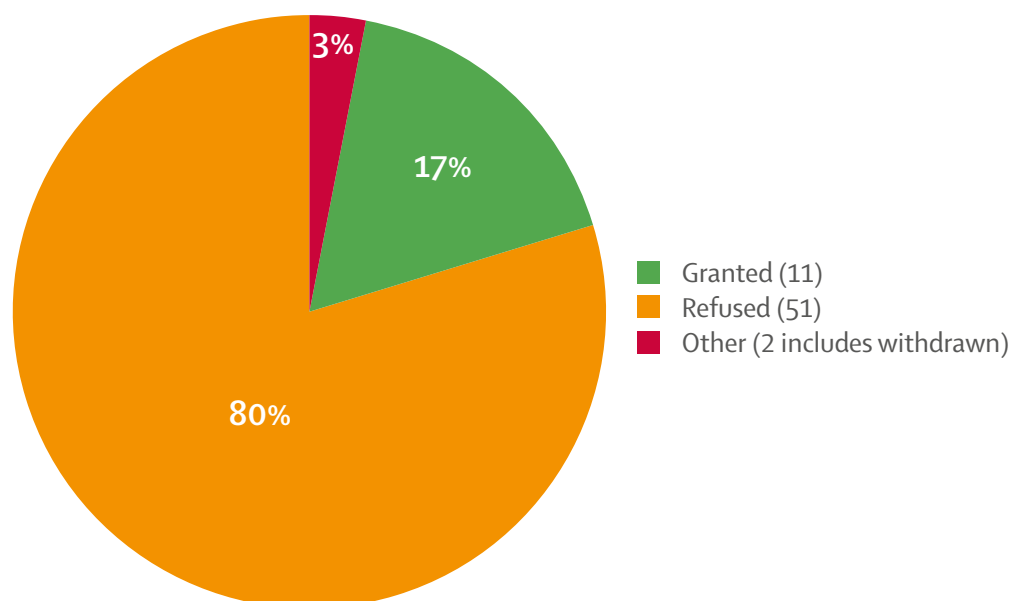
Procedure for appealing

Unlike in the UKSC the JCPC hears several appeals 'as of right'. This is because the right of appeal to the JCPC is largely regulated by the constitution and legislation of the relevant individual jurisdiction or by Order in Council. In broad terms, provision for leave 'as of right' is made where the value of the dispute is more than a specified amount or where the appeal raises questions as to the interpretation of the constitution of the country concerned. In other civil cases, leave may be granted by the JCPC itself.

The JCPC receives a number of applications for permission to appeal in criminal cases and permission to appeal is for those applications where, in the opinion of the Board, there is a risk that a serious miscarriage of justice may have occurred.

The timescale for dealing with applications for permission to appeal in the JCPC is often dependent on the actions of local attorneys or of the relevant court from which the appeal is brought. Although the JCPC can, and has, dealt with applications for permission to appeal more quickly, an application for permission would normally be determined with twelve sitting weeks.

Figure 25 – JCPC PTA results 2019-2020



*Other includes struck out PTAs

Figure 26 – JCPC PTAs determined in 2019-2020 by jurisdiction

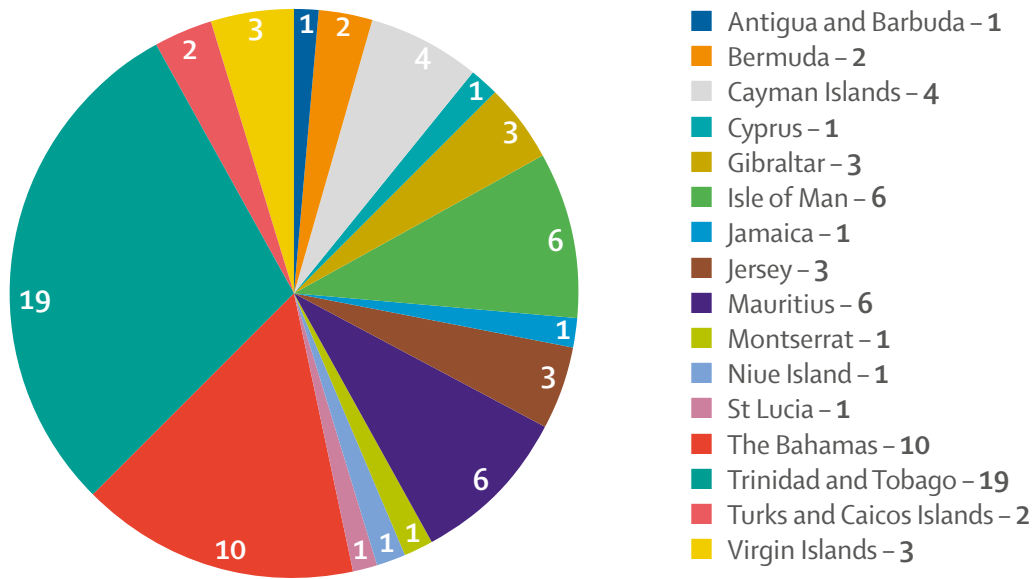


Figure 27 – JCPC as of right and appeals filed by jurisdiction in 2019-2020

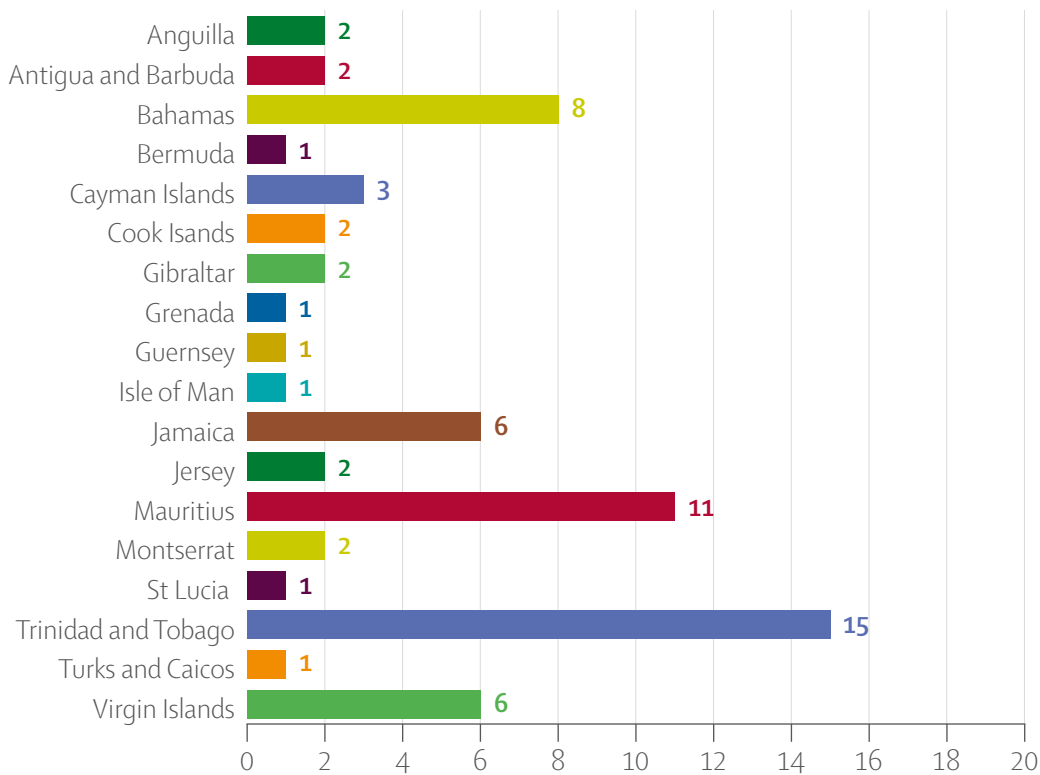
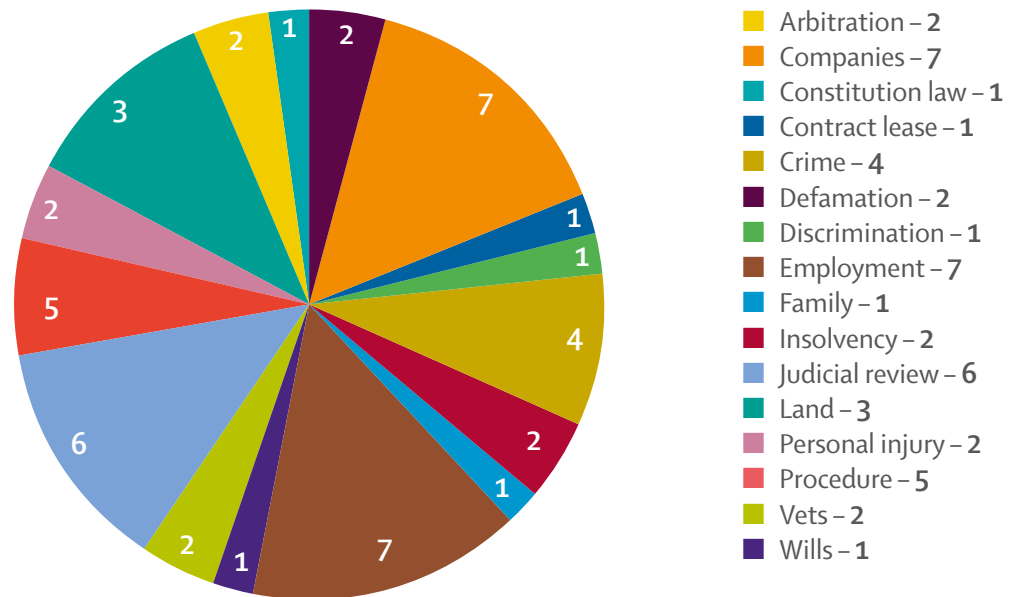


Figure 28 – JCPC judgments by subject: 2019-2020



Appeals

As in the UKSC, appeals are almost invariably listed to the convenience of the parties involved, particularly if they are having to travel long distances. But a key development has been the use of video link equipment to reduce the need for parties to travel to London.

The JCPC can and has arranged hearings in urgent cases and some gaps are provided in its listing to enable such cases to be heard.

Size of panels hearing cases

The JCPC usually sits as a Board of five, but sometimes in panels of three, seven or nine. The criteria for making a recommendation for a larger or smaller panel are available on our website. During this year, there were no appeals with a Board of more than five.

Comparing work and outcomes over the past five years.

Figure 29 – JCPC: work filed in the Registry 2015-2020

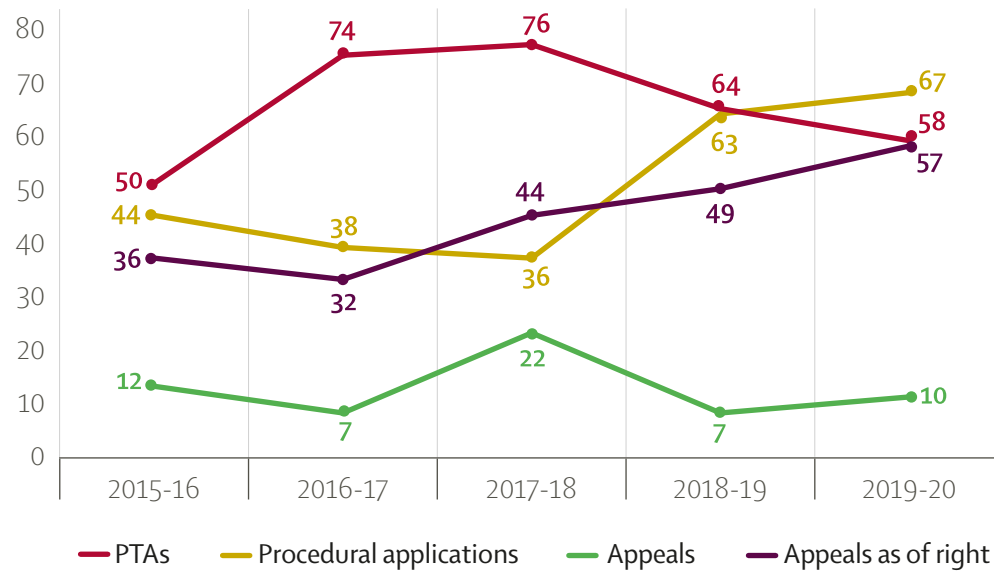


Figure 30 – JCPC Appeals as of right filed 2015-2020

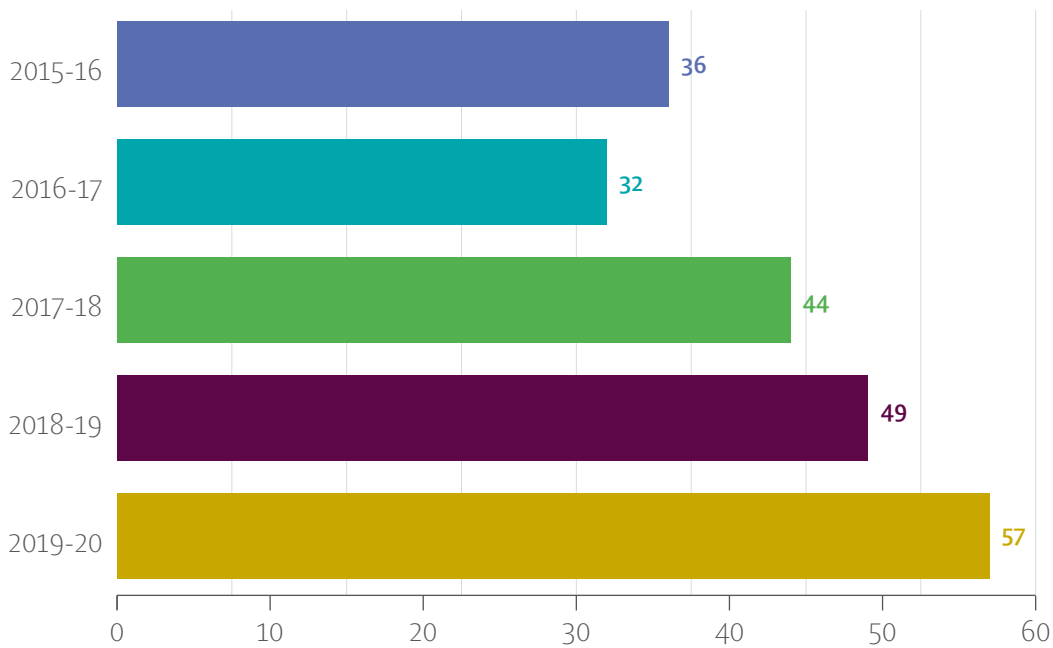


Figure 31 – JCPC PTAs filed 2015-2020

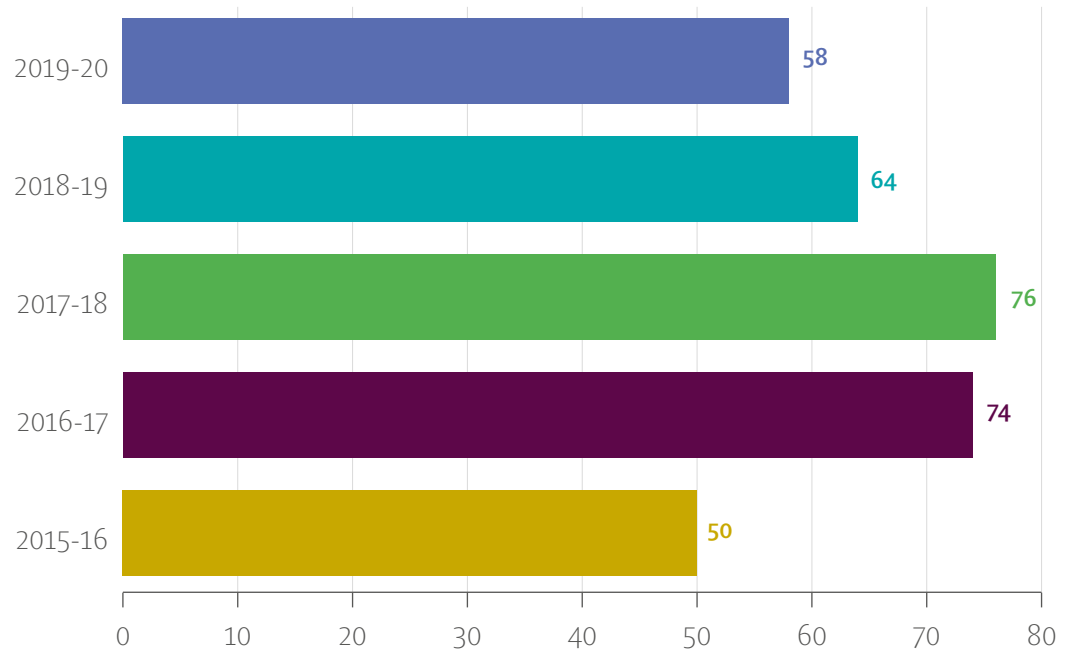
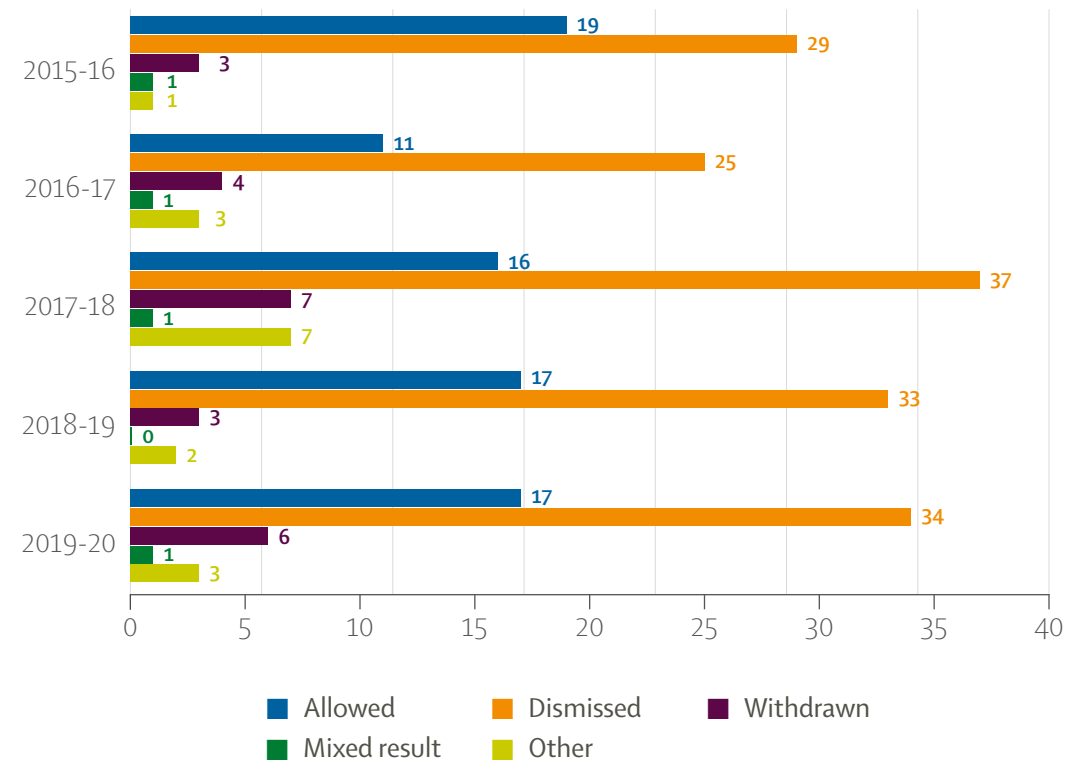


Figure 32 – JCPC appeal outcomes 2015-2020



Cases and judgments

The JCPC publishes all of its decided cases. The following examples help to illustrate the breadth of the cases decided this year:

C v C (Jersey)

[2019] UKPC 40

This was a private international law case about whether the Jersey Court of Appeal was right to have recognised a Latvian declaration of paternity.

The child of the respondent mother (who had Latvian nationality and lived in Latvia) was born in Latvia in 2003 and his birth was registered there. The appellant was not registered on the birth certificate as the child's father. However, in 2006, the appellant successfully applied to a district court in Latvia for a declaration of his paternity. The child's birth certificate was rectified to register the appellant as the father.

In 2008, the respondent and the child moved to live with the appellant in Jersey. The relationship later broke down, and the respondent applied to the Jersey court for an order requiring the appellant to make financial provision for the child. In 2012, the Latvian district court dismissed the appellant's application for a further rectification of the birth certificate to remove his registration as the child's father.

The Jersey Court of Appeal held that the appellant should be treated as the child's parent based on the Latvian declaration of paternity. It therefore upheld an order under the Children (Jersey) Law 2002 requiring the appellant to make financial provision for the child.

The JCPC dismissed the appellant's appeal. It held unanimously that the Jersey Court of Appeal was right to recognise that the Latvian declaration established the appellant's paternity. This is because the principle of jurisdictional reciprocity requires the Jersey courts to recognise a determination of paternity by a foreign court of competent jurisdiction, unless there are (exceptional) public policy reasons not to do so.

Read the JCPC's judgment www.jcpc.uk/cases/jcpc-2016-0084.html

**Nurse v Republic of Trinidad and Tobago
Canserve Ltd v Republic of Trinidad
and Tobago (Trinidad and Tobago)
[2019] UKPC 43**

This appeal was about the mental element, or mens rea, for certain statutory importation offences.

In June 2009, Canserve imported a container into Trinidad and Tobago and provided a customs declaration for the goods. The declaration was signed by Mr Nurse, Canserve's building manager. It described the goods as office furniture with an invoice price of US\$18,881. A customs inspection in July 2009 revealed that the declaration was incorrect: the container actually contained gaming machines and other associated items. Gaming machines are prohibited from importation in Trinidad and Tobago.

Canserve and Mr Nurse were charged with various statutory importation offences. These included making and subscribing a false declaration in a customs declaration value contrary to section 212(a) of the Customs Act Chapter 78:01.

The JCPC applied *Sweet v Parsley* [1970] AC 132, which sets out the presumption that Parliament intends all criminal offences to require mens rea. However, it agreed that the presumption could be rebutted in this case. This was because the statutory importation offences mainly affect persons who import or export goods from abroad, who are well placed to take active steps to reduce or prevent smuggling. For example, they can require the consignor to take steps to make sure that the correct goods are

consigned, or even appoint an agent to inspect the container before it is sealed and shipped to Trinidad and Tobago.

The JCPC also found that, although the penalties attached to the offences were severe, a judge was not required to impose the highest penalty and could take account of mitigating factors. Importantly, the severity of the penalties was a function of both the potential value of smuggled goods and Parliament's aim of deterring those involved in smuggling. Customs officials cannot check the correctness of customs declarations in every case. There was consequently a clear public interest in deterring the false or careless completion of customs declarations or other acts relating to the import or export of goods.

For these reasons, the JCPC held unanimously that the statutory importation offences were strict liability offences that did not require mens rea. This meant that Canserve and Mr Nurse could be held criminally liable even if they did not know that they had made a false customs declaration, imported prohibited goods, and so on. The case was therefore remitted for retrial in accordance with the directions of the Court of Appeal of Trinidad and Tobago.

Read the JCPC's judgment
www.jcpc.uk/cases/jcpc-2017-0082.html

Section FOUR

External relations



In 2019–20 the UKSC has engaged with millions of people, face-to-face and digitally, making proceedings accessible around the world.

Justices' public engagement work in the UK

The UKSC justices attended 160+ engagements, in the UK and internationally this year. This included delivering talks, lectures and speeches, as well as attending conferences, bilateral and other engagements with their counterparts.

In addition to these engagements, justices reached out in many other ways, including through one-to-one meetings with overseas visitors, writing articles and holding appointments at universities.

We have continued to build constructive relationships with legislatures and professionals across the UK, with Lord Reed and Lord Hodge keeping in touch with judges, lawyers and legislatures in Scotland, and Lord Kerr and Lord Lloyd-Jones doing the same in Northern Ireland and Wales respectively.

Lord Reed and Lord Hodge appeared before the House of Lords' Constitution Committee on 4 March 2020. A transcript of the evidence session can be found on the Committee's website at: www.parliament.uk/business/committees/committees-a-z/lords-select/constitution-committee/other-work/

Lady Hale gave the Worcester Lecture 2019 at Worcester Cathedral. Pictured here with members of the audience.



From Lord Hodge speaking on ‘Law and Technological Change’ at the British Irish Commercial Bar Association in Edinburgh, to Lady Hale speaking at the Association of State Girls’ Schools (ASGS) conference in London, and Lord Lloyd-Jones addressing students at Aberystwyth University, UKSC justices have been involved in a diverse range of engagement activity across the UK.

Justices’ work overseas

The UKSC and the JCPC continue to attract international interest from judges, lawyers and others keen to visit and meet justices and staff to discuss aspects of our jurisdiction and work.

There are various levels at which the international relationships operate. These include:

- Links with courts, lawyers and, to a certain extent, governments in the countries which use the JCPC as their highest court
- Relationships with the Court of Justice of the European Union and the European Court of Human Rights (ECHR)
- Relationships with senior courts in Europe, most notably the Supreme Court of Ireland, the French Cour de Cassation, Conseil d’Etat, and the Bundesverfassungsgericht, the German Constitutional Court
- Exchanges with Common Law countries such as Australia, New Zealand, Canada, Israel and the USA
- Relationships with other Supreme Courts and Constitutional Courts

Visits from the judiciaries and countries where democratic arrangements are not well settled, where we can help develop understanding of the importance of the rule of law and of a high-quality independent judiciary, are a key component of good governance.

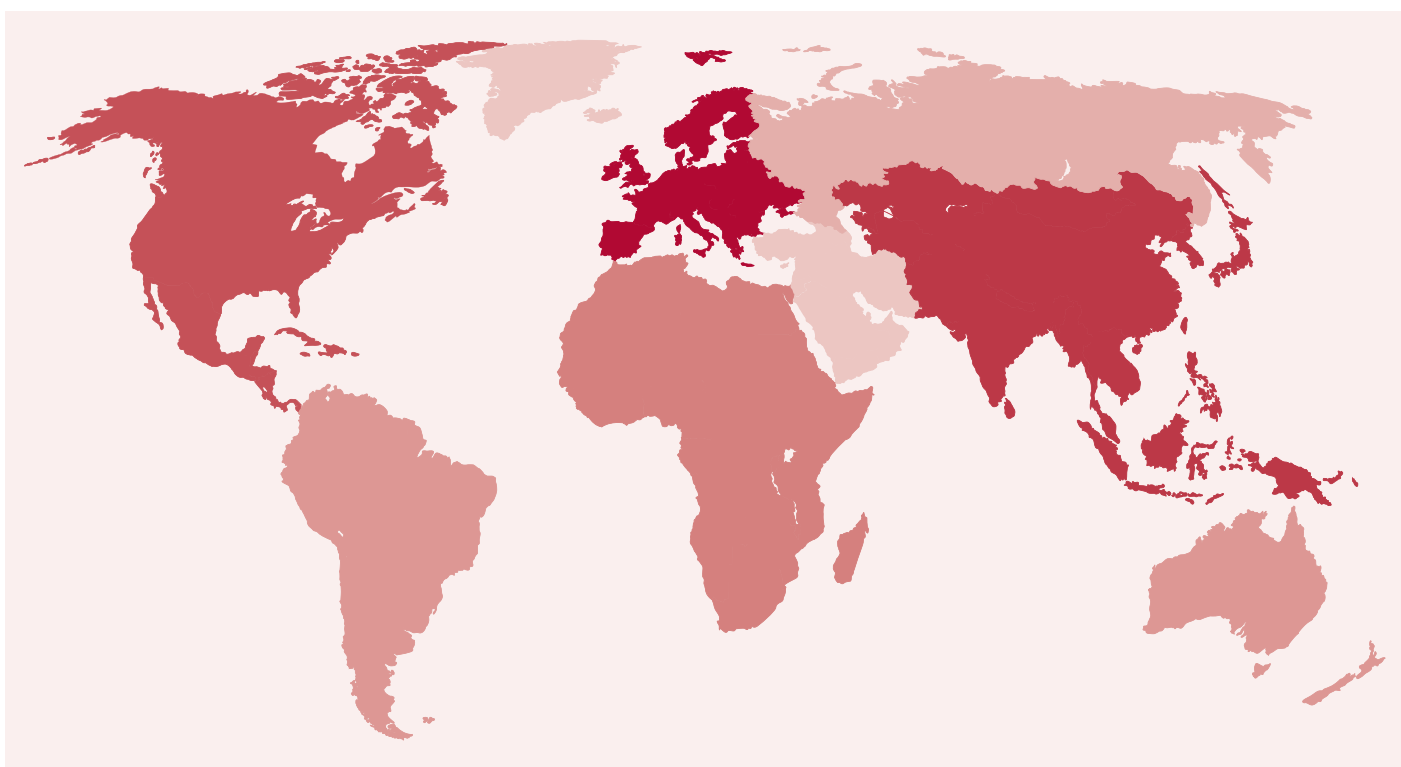
In relation to this aspect of our work:

- We hosted a bilateral with the Supreme Court of Canada in July 2019
- We hosted a bilateral with Bundesverfassungsgericht (German Constitutional Court) in November 2019
- Lord Reed and Lady Arden attended the opening of the legal year in Strasbourg in January 2020
- Justices participated in a bilateral with the European Court of Human Rights (ECHR) in Strasbourg in February 2020

Other visits allow for exchanges of views about administrative and management matters; for example, to look at what the administration of the court has done in terms of openness and transparency, including televising court hearings and making use of social media. Other delegations, such as those from Kenya and Uganda, have been interested in live broadcasting.

We also support the ACA-Europe (Association of the Councils of State and Supreme Administrative Jurisdictions of the European Union) and the CMJA (Commonwealth Magistrates’ and Judges’ Association). Lord Sales attended an ACA-Europe event in Berlin, May 2019, and Lord Carnwath attended an ACA-Europe event in the Czech Republic, September 2019.

This map shows where justices participated in engagements and representing the UKSC, internationally, working to foster good relations.



Lord Briggs attended a Trust and Litigation conference in Athens, delivered a speech on 'Reform of the Courts' in Dublin, and gave the Sultan Azlan Shah lecture in Malaysia.

Lord Carnwath attended an ACA conference in Borneo; visited the Institute of International and European Affairs in Dublin; spoke at Chandrigah University, India, on 'Arbitration and Environment'; took part in a talk at the George Dobry conference at the British Law centre in Poland; and attended the Commonwealth Lawyers' Association conference in Zambia.

Lord Kitchin visited the German Association for the Protection of Intellectual Property in Dusseldorf, delivered a speech

and had meetings with judges of the Oberlandsgericht; attended the European Judges Forum in Venice; and visited Munich to attend an expert workshop at the European Patent Office; delivered speeches and presentations at the EPO boards of appeal; gave a lecture at a conference on 'Injunctions and Flexibility' at Ludwig Maximilian University; and visited Prague and Brno on behalf of the UKSC.

Lord Sales visited Australia to attend a banking and financial service law conference in Queensland, and the NSW Judiciary Conference; and attended the ACA-Europe in Berlin, Germany.

Lady Hale attended the annual conference of the Guernsey International Legal Association; a judicial exchange with the Israeli Supreme Court; and led a UKSC delegation to the Czech Republic.

Lord Kerr was part of the UKSC delegation to Israel, where he delivered a paper on 'Freedom of Speech: Law and the Internet'.

Lord Wilson visited Israel as part of the judicial exchange with the Israeli Supreme Court.

Lord Hodge delivered a lecture at the Max Planck Institute in Hamburg; attended the Forum des Magistrats at the Court of Justice of the European Union in Luxembourg; and took part in the judicial exchange with the Israeli Supreme Court.

Lord Reed gave a lecture to Canadian judges at the Canadian Institute of Advanced Legal Studies meeting in Cambridge; sat as a judge on the Hong Kong Court of Final Appeal; gave the keynote address at a judicial conference on the rule of law in Sarajevo; attended the opening of the Cour de Cassation in Paris; visited Strasbourg for the opening of European Court of Human Rights, and for a judicial exchange; and gave the keynote address at a world conference of chief justices in New Dehli.



Lady Hale with Prof. Dres. h.c. Andreas Voßkuhle at the Judicial Exchange with the German Federal Constitutional Court, in November 2019.



Lord Reed speaking at the International Judicial Conference in India, February 2020.

Lady Black attended a Council of Europe meeting, and delivered a family law lecture to the Franco-British Lawyers Society in Paris; and visited Strasbourg for a judicial exchange.

Lord Lloyd-Jones visited Gdansk, Poland for a Bar European Conference. Lord Lloyd-Jones is currently the President of the Bar European Group.

Lady Arden delivered a speech at the Trusts and Wealth Management Conference, hosted by the Singapore Academy of Law.

We also communicate with JPC jurisdictions through a twice-yearly e-newsletter, as well as with Privy Council agents and other Court users.

Impact of Brexit

The Court is assessing the likely practical implications of exiting the European Union on the legal system and will seek to feed those assessments into formal and informal mechanisms for consultation.

The European Union (Withdrawal) Act 2018 has clarified that “retained EU law” will be captured as a “snapshot” at the end of the implementation period on 31 December 2020. The European Union (Withdrawal Agreement) Act 2020 has also amended the European Union (Withdrawal) Act 2018 to give government Ministers the power to make regulations specifying the extent to which, or the circumstances in which, courts or tribunals other than the UKSC or the High Court of Justiciary in Scotland will be able to depart from the Court of Justice of the European Union (CJEU) interpretations of retained EU law. It also gives ministers the power to specify the considerations which the UKSC and the High Court of Justiciary are to take into account in applying the test laid down for them.

The UK’s exit from the European Union does not change its membership of the Council of Europe, its being a signatory to the European Convention on Human Rights, or the jurisdiction of the European Court of Human Rights, as these are separate from the European Union.

Examples of engagements by justices across the UK



Examples of engagements across the UK

Aberdeen – Lord Hodge attended the Cyber-security and the North Sea Conference at Robert Gordon University, speaking on the subject of ‘Technology and the Law’.

Aberystwyth – Lord Lloyd-Jones gave a lecture at Aberystwyth University.

Belfast – Lady Hale delivered a lecture at the Northern Ireland Children Law Centre on ‘Rights of Disabled Children’. Lord Kerr gave the keynote address to the European Criminal Bar Association at Parliament House, Stormont. Lord Lloyd-Jones gave a lecture at the Attorney General’s conference.

Birmingham – Lord Reed delivered the keynote address at the annual conference of the Association of Personal Injury Lawyers.

Bournemouth – Lady Hale spoke on ‘Changing the Legal Landscape’ at the British and Irish Association of Law Librarians.

Cambridge – Justices attended a variety of engagements. Lord Kerr gave an Irish Society talk in Jesus College. Lady Black judged a moot between Magdalene and Downing Colleges, and both Lady Hale and Lady Arden were panellists at the Girton College Festival. Lord Lloyd-Jones gave the final lecture to the Cambridge Masters of Law course.

Edinburgh – Lord Hodge attended several engagements, including delivering lectures to the Law Society of Scotland and the British and Irish Commercial Bar Association.

Glasgow – Lady Hale attended an event at the University of Glasgow celebrating a ‘**Centenary of Women in Law**’.

Hull – Lord Wilson visited secondary school students in Hull.

Lancashire – Lady Arden chaired a session at the annual conference of the Society of Legal Scholars.

Leeds – Lady Black spoke at the ‘100 Years of Women at the Bar’ Mess Dinner.

Leicester – Lord Hodge delivered a lecture at the Financial Technology Conference.

London – Justices had over 60 engagements in the capital. Lord Carnwath attended a University College London talk on EU environmental law. Lord Briggs chaired the Westminster Legal Forum. Lord Kitchin delivered a speech at a conference on ‘Artificial Intelligence (AI) and Intellectual Property Law.’ Lady Hale delivered the Groitus Lecture at the British Institute of International and Comparative Law, the Dame Ann Ebsworth Memorial Lecture, and the Frances Paterson Memorial Lecture at the Planning and Environment Bar Association Annual Conference. Lord Hodge spoke to visiting students from Brigham Young University at the International Summer School of Law and Religion, chaired a seminar at the Royal Society on ‘Blockchain and related technologies’, and gave the second annual Dover House Lecture. Lady Arden chaired a session at the London Conference on International Law, and visited Brunel University Law School.

Lord Sales addressed students at Forest Gate Community School and gave the Sir Henry Brooke lecture for BAIII on the subject of 'AI and the Law'. Lord Reed gave the annual Bentham Lecture at University College, London.

Oxford – Lord Sales judged the final of the Holdsworth mooted competition. Lord Kitchin judged the grand final of the Oxford International IP Mooting Competition. Lord Wilson was the guest speaker at Oxford Brookes University law students' graduation. Lord Reed gave a public lecture on European Law at Wolfson College.

Pontypridd – Lord Lloyd-Jones attended the Legal Wales conference.

Southampton – Lady Hale gave the Annual CLPS Ganz Lecture at University of Southampton Centre of Law, Policy and Society.

Wirral – Lord Wilson presented a Nichols Lecture Series talk to a group of sixth form students.

Our engagement with professional users

We engage with professional users of both the UKSC and the JCPC through a User Group, chaired by Lord Kerr. The group includes solicitors, members of the Bars from across the UK, and agents who practise in the JCPC. Meetings took place on 10 July 2019 and 22 January 2020 and minutes are available online at www.supremecourt.uk/about/meeting-minutes.html

The Chief Executive and the Registrar attend the meeting, alongside justices and staff as necessary.

We are grateful for the engagement of our stakeholders in helping the Courts improve our services this year.

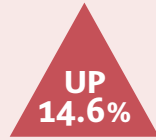
Welcoming visitors, education and outreach

Our education and outreach programmes inspire and engage students of all ages, across the UK, with the work and role of the UKSC and the JCPC.

Education and visitor services in numbers



101,130
visitors to the UKSC



363



educational tours
of the UKSC



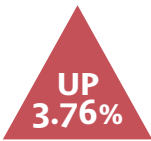
“The tour was made accessible... they left so excited and passionate about the experience.”

Teacher from Harris Girls Academy, Bromley, November 2019



3,856

people attended open days, which offer visitors a special insight into the work of the Court through special talks, events and activities



“Thank you for the Open Day. Most interesting staff, helpful, pleasant and knowledgeable.”

Visitor, August 2019

84



applications to our student writing competition, aimed at Year 12 or 13 students in England or Wales, S5 or S6 in Scotland or Year 13 or 14 in Northern Ireland



404



people attended a series of four evening lectures, as part of the court’s ten-year anniversary programme

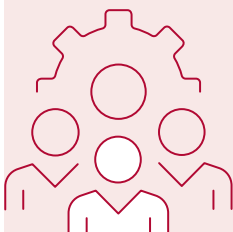
3,349



people attended **Open House London**, the world’s largest architectural festival

5

moots hosted, for university students from across the UK



5

‘Debate Days’ delivered to students in years 10–13, from across the UK

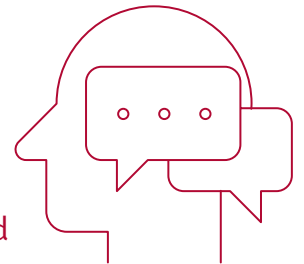
“They [the students] surprised themselves about how good they could be. ... When the lawyers talked about their routes into the profession, they felt that this was accessible to them too.”

Teacher from King’s High School, Warwick, February 2020

8

‘Ask a justice’

sessions delivered to help engage school and college groups from inaccessible and disadvantaged areas of the UK



“A really worthwhile idea and definitely something that pupils learned a great deal from.”

Teacher from St. Columba’s High School in Gourock, Scotland, February 2020

In focus: Artwork – ‘Legacy’



Leelaa Agravat and Inés Rodríguez Serrano
© UK Supreme Court, Kevin Leighton

“A major new artwork commemorating 100 years of women in the legal profession was unveiled in Courtroom 2 in December 2019. Created by the internationally recognised artist Catherine Yass, it was commissioned by the charity Spark 21.

“The artwork features four portraits. There are three female legal pioneers – Cornelia Sorabji, Dame Rose Heilbron and Lady Hale – and one ‘unnamed student’, who represents the potential of the next generation of women lawyers.

“We deliver hundreds of tours to members of the public each year and have received lots of positive feedback about the artwork from visitors. Many people have told us that they see the women as role models, and that they feel inspired to see women being commemorated in the highest court in the land. We think it’s a fantastic addition to the building!”

**– Leelaa Agravat and Inés Rodríguez Serrano,
Information Officers at the UKSC**

More information about the artwork is available on the UKSC’s website at www.supremecourt.uk/news/new-artwork-celebrating-100-years-of-women-in-law.html

Public engagement and art

We collaborated with the Legal Action Group – an independent charity, promoting equal access to justice for all members of society who are socially or economically disadvantaged – to showcase artwork from the children’s book ‘Equal to Everything: Judge Brenda and the Supreme Court’, published in October 2019. The exhibition at the UKSC launched in February 2020 and ran until June 2020.

We enhanced and expanded our permanent exhibition area, which aims to develop visitors’ knowledge and understanding of the UKSC and JCPC, adding digital screens to tell visitors about cases being heard.

Promoting the UKSC and the JCPC through the media and online

The Communications team works to support accurate coverage of the Court’s decisions and wider work, communicating judgments in a timely and accessible manner to the media directly and on the websites. Judgments often receive widespread coverage and provoke discussions on Twitter that lead to #UKSupremeCourt trending.

There was a significant increase in demand for information about the two prorogation-related judicial review cases heard by the UKSC in September 2019. We provided a temporary media centre, enabling national and international news outlets, UK regional journalists and major commercial radio groups to cover the cases directly from the building.

The President and other justices have promoted the Court through a range of interviews and features, including with the FT Magazine Life & Arts, The Guardian, BBC Radio 4’s Today programme, and the Evening Standard.



Media coverage

Following the prorogation judgment hand-down on 24 September 2019, there were more than

450 pages of print media relating to the judgment as well as broadcast coverage from outside the building from all the main channels for the remainder of the day.

The top 10 trends

The most talked about subjects on Twitter all related to the judgment with subjects like *#SupremeCourt*, *Lady Hale*, *Baroness Hale*, *#Prorogation* and *Gina Miller being referenced*.

The UKSC's tweet announcing the judgment outcome was retweeted

1.4k times

and 'liked'

2.3k times.

Website users

1,276,431

total users of the UKSC site, and

104,439

total users of the JCPC site.

There was a major spike in activity around the prorogation-related judicial review cases. On the first day, the website attracted in the region of

12 million

individual connection requests.

Video

387,098

viewers watched our live streaming, and

223,157

watched video-on-demand services on the UKSC website.

40,038

viewers watched our live streaming service, and

14,775

watched our video-on-demand services on the JCPC website.

Social media

YouTube

365,899

people watched judgment hand-downs on the Court's YouTube channel.

Twitter

265k

Twitter followers, a

5.2%

increase since March 2019.

Instagram

8,754

followers on Instagram, a

69%

increase since March 2019.



Section FIVE

Controls, governance and accountability report



Statement of Accounting Officer's Responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the UKSC (the Department) to prepare, for each financial year a statement of accounts (the Accounts) in the form and on the basis set out in the Accounts Direction issued on 19 December 2019.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net resource outturn, application of resources, changes in taxpayers equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and to:

- Observe the accounts direction issued by HM Treasury, including relevant accounts and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts;

- Have taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information, and that they are now aware of any relevant audit information of which the Department's auditors are not aware of;
- Prepare the accounts on an ongoing basis; and
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the UKSC's assets as set out in the Accounting Officer's Memorandum issued by HM Treasury and published in Managing Public Money.

Governance Statement by the Chief Executive

The UKSC is a non-Ministerial Department established by the CRA 2005. The UKSC administration assumed responsibility of the JCPC on 1 April 2011. Responsibility for non-judicial functions are delegated by the President of the Supreme Court of the United Kingdom (UKSC) to me, as Chief Executive in accordance with s. 48(3) of the above Act.

The aim of the UKSC and JCPC is to provide an environment which enables the justices to carry out their duties in an effective, visible and accessible way, and which best develops the rule of law and the administration of justice, both in the UK and in the countries, which use the JCPC.

As Chief Executive, I am responsible for the day-to-day operations and administration of the UKSC and leadership of its employees. I am required to carry out my functions in accordance with the directions given by the President of the UKSC.

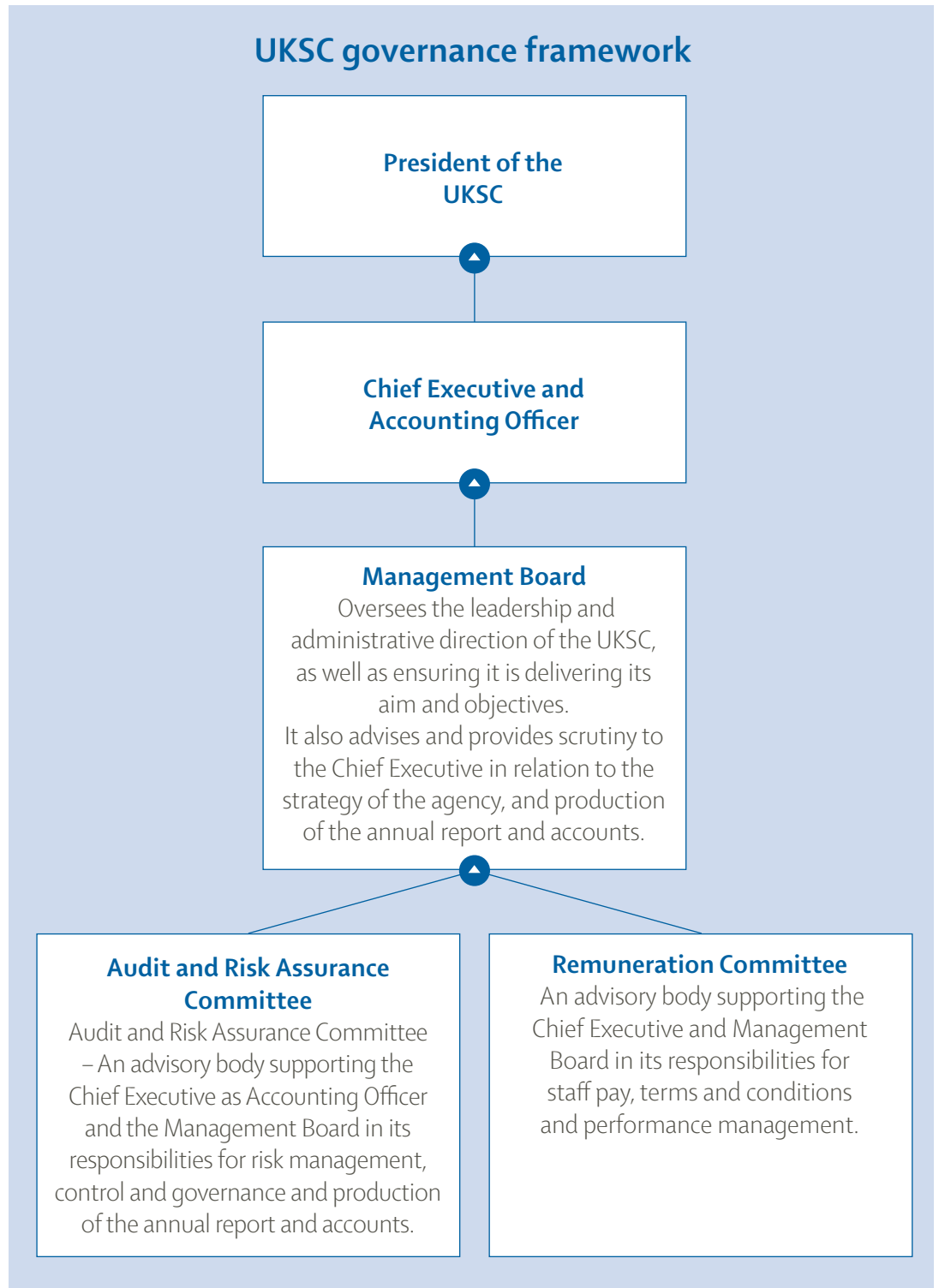
In my role as Chief Executive and within the directions given by the President, I work with the justices through justices' meetings and the Strategic Advisory Board. This Board, chaired by the President and comprising two additional justices, senior members of the Management Board and the Non-executive Board Members, considers the strategic direction of the Court and the ongoing strategic issues and opportunities. It has no role in directing the administration or the judicial functions of the Court.

As Accounting Officer and working with my management team, I have responsibility for maintaining effective governance and a sound system of internal controls that supports the achievement of UKSC policies, aims and objectives whilst safeguarding the public funds and assets for which I am personally accountable.

The governance framework

The UKSC has in place control processes to provide me, as Accounting Officer, with assurance over financial and operational risks. This governance framework is commensurate with the size of the organisation and complements our approach to risk management. The framework and the processes are subject to continuous improvement and review to ensure that they remain, current, effective and relevant.

Figure 34 – UKSC governance framework



The UKSC Management Board

As at March 2020, there were eleven members of the UKSC Management Board comprising Non-executive Board Members and executives.

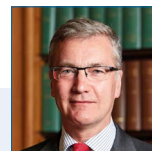
Our Management Board as at 31 March 2020:

Our Executive Members

Mark Ormerod

Chief Executive of the UKSC and the JCPC and Accounting Officer

Responsible for all the non-judicial functions of the Court and overseeing the administration of staff and contractors



Sam Clark

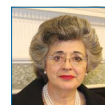
Director of Corporate Services



Responsible for the UKSC building and contracted services, IT, Library services, Human Resources, Financial Management and Communications

Louise di Mambro

Registrar UKSC



Responsible for exercising judicial and administrative functions under the Rules and Practice Directions



Sanjeet Bhuber

Director of Finance

Responsible for financial management



Sophia Linehan Biggs

Head of Communications (job share)

Sophia and Janet are responsible for promoting public understanding of the UKSC the communications function, and all education, outreach and public engagement programmes



Janet Coull Trisic



Paul Brigland

Head of IT and Building services

Responsible for the provision of all contracted and office services, building management, and security and safety issues



Chris Maile

Head of Human Resources

Responsible for HR support, advice, pay and policy



Ian Sewell

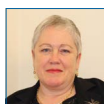
Deputy Registrar and Costs Clerk to the JCPC

Responsible for the Judicial Support Unit, the delivery of judgments and costs procedures

Our Non-executive Board Members as at 31 March 2020

Kathryn Cearns

OBE



Kathryn is a Chartered Accountant with experience in financial reporting, audit, company law and corporate governance. As well as being a member of the Management Board, Kathryn chairs the Audit and Risk Assurance Committee and is a member of the UKSC Remuneration Committee.

Tim Slater



Tim has a background in leading corporate IT and in project management and has worked as a university lecturer. He is a Chartered Engineer, Fellow of the British Computer Society, and a Fellow of the Higher Education Authority. As well as being a member of the Management Board and Audit and Risk Committee, Tim chairs the UKSC Remuneration Committee.

In addition to the above substantive members, the Management Board was supported by the following independent members and executives during the year.

Others supporting the Management Board in 2019-20



Peter Luney

Independent Member of the Audit and Risk Assurance Committee

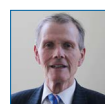
Peter is Chief Executive of the Northern Ireland Courts and Tribunals Service (NICTS)



Charles Winstanley

Independent Member of the Audit and Risk Assurance Committee

Charles is the Scotland representative on the UKSC Audit and Risk Assurance Committee



Kenneth Ludlam

Non-executive Board Member (NEBM) until July 2019



Joyti Mackintosh

was Director of Finance until September 2019

Management Board and its sub-committees

| | Management Board | Audit and Risk Assurance Committee | Remuneration Committee |
|-----------------------------------|---|--|---|
| Terms of Reference | These were reviewed and agreed in September 2019 | These were reviewed and agreed in May 2019 | These were reviewed and agreed in November 2019 |
| Roles and responsibilities | Has responsibility for overseeing the leadership and administrative direction of the UKSC, as well as ensuring it is delivering its aim and objectives. It also advises and provides scrutiny to the Chief Executive in relation to the strategy of the department agency, and production of the annual report and accounts. The Board meets at least six times a year. | This is an advisory body supporting the Chief Executive as Accounting Officer and the Management Board in its responsibilities for risk management, control and governance and production of the annual report and accounts. The Committee meets three times a year. | This is an advisory body supporting the Chief Executive and Management Board in its responsibilities for staff pay, terms and conditions and performance management. The Committee meets when required but at least once a year. In 2019-20 it met four times. |
| Chair | Mark Ormerod , Chief Executive | Kenneth Ludlam , NEBM (until July 2019) From August 2019, Kathryn Cearn , NEBM | Kathryn Cearn , NEBM (until July 2020) From August 2019, Tim Slater , NEBM |
| Issues covered | <ul style="list-style-type: none"> ■ Discussed and agreed the risk exposure for the business including the level of risk tolerance ■ Discussed performance of each administrative business area at each meeting ■ Discussed the financial position at each meeting as well as approving the annual budget ■ Reviewed operational policies and guidance ■ Received regular updates from the chairs of each respective sub committee ■ Discussed performance of key commercial relationships including re-tendering exercises | <ul style="list-style-type: none"> ■ Substantive discussion at each meeting on corporate risks including targeted deep dives to challenge management controls and effectiveness of mitigation ■ Substantive discussions on the findings and implementation of recommendations from internal audit reports ■ Discussed adequacy of management response to issues identified by audit activity, including external audit's management letter and National Audit Office value for money audits ■ Acted on the delegated authority of the Management Board to approve the annual report and accounts (2018-19) | <ul style="list-style-type: none"> ■ Reviewed and discussed the pay award for non-SCS and SCS staff in 2019 ■ Reviewed the use of allowances for specific roles and considered the appropriateness of any new allowances and the use of overtime ■ Reviewed the use of the performance management system |

The attendance schedule for the Management Board and its sub-committees

| | Management Board | Audit and Risk Assurance Committee | Remuneration Committee |
|--|------------------|------------------------------------|------------------------|
| Attendance at meetings – expressed as number of meetings attended out of number eligible to attend | | | |
| Mark Ormerod – Chief Executive | 7/7 | 3/3* | 4/4 |
| Kenneth Ludlam – Non-executive Board Member (until 31st July 2019) | 2/2 | 1/1 | 1/1 |
| Kathryn Cearns – Non-executive Board Member | 7/7 | 3/3 | 4/4 |
| Tim Slater – Non-executive Board Member (from 1st August 2019) | 5/5 | 2/2 | 3/3 |
| Sam Clark – Director of Corporate Services | 7/7 | 3/3* | |
| Louise di Mambro – Registrar | 6/7 | | |
| Joyti Mackintosh – Director of Finance (until 30th September 2019) | 3/3 | 1/1* | 1/1 |
| Sanjeet Bhumber – Director of Finance (from 1st November 2020) | 3/3 | 1/1* | 3/3 |
| Sophia Linehan Biggs – Head of Communications (from December 2019 and January 2020 as job share) | 2/2 | | |
| Janet Coull Trisic – Head of Communications (until December 2019 and job share from January) | 7/7 | | |
| Paul Brigland – Head of Office and Building Services | 7/7 | | |
| Chris Maile – Head of Human Resources | 7/7 | | 4/4 |
| Ian Sewell – Deputy Registrar | 7/7 | | |
| Charles Winstanley – Representative from Scotland | | 3/3 | |
| Peter Luney – Representative from Northern Ireland | | 2/3 | |

* Regular attendee as opposed to a substantive member of the Committee

Corporate Governance in the UKSC

I have considered the effectiveness of the Board against HM Treasury's and Cabinet Office's Corporate Governance Code in central government departments and I am satisfied with the Board's effectiveness.

Agendas for the Board meetings comprise standard items as listed above as well as specific issues which are dealt with quarterly or when the needs arises. The Board received regular reports from its sub committees however as a result of its size we do not require a separate Nominations Committee. The Board also discusses the risk register at each meeting.

Individual members of the Board are held accountable for their decisions and the NEBMs play a full role in challenging and supporting the Executive members.

Taking all the above factors into account, I am satisfied that the governance structure complies with the Corporate Governance Code. Areas of the Code which require the involvement of Ministers do not apply to the UKSC as we are a non-ministerial department.

Other supporting committees – Security and Safety Committee

I am also supported in my role as Accounting Officer for all safety related matters by the Security and Safety Committee. The Committee is overseen by the Audit and Risk Committee but accountable to me as Chief Executive and the Management Board.

The role of the Committee was reviewed in 2019-20. Previously it oversaw health and safety operational and contractual matters. It now leads on the oversight of and advice for all operational and strategic security and safety related matters. The Chair, the Director of Corporate Services, provides a report to the Management Board and ARAC after each meeting, with at least three meetings taking place each year or more often if required.

The Security and Safety Committee is in place to promote good practice and a secure and positive working environment in which all business areas can be supported in the delivery of their business objectives.

The Committee will meet a minimum of three times a year (July, November and March).

The overarching aims of the Committee are:

- To support management to manage security, health and safety risks in our workplace and provide a forum for discussions of current security and safety procedures.
- To provide clear instructions and information to managers, and identify adequate training, to ensure that UKSC employees are competent to do their work.
- To provide a forum for employees to consult and challenge on matters relating to security and safety practices.
- Review accident / incident reports with aim to identify any trends and patterns and ensure that appropriate action has been taken to reduce risks.

- To agree and implement emergency procedures and to agree processes for testing of procedures.

Meetings of the Security and Safety Committee are open to all staff to attend. Minutes are posted on the Court's intranet.

Risk management

The UKSC promotes a supportive risk environment culture which encourages openness and transparency. Our policy is updated on an annual basis to ensure the risk management framework and approach to risk tolerance is clearly defined and remains effective with a particular focus on embedding risk management in leadership and decision-making.

Risks are managed at two levels within the UKSC. There is an established process whereby risks and issues are escalated to the Corporate Risk Register which is reviewed by the Management Board bi-monthly and the Audit and Risk Assurance Committee three times a year – with targeted deep dives on different risks each meeting.

On a day-to-day basis senior managers are responsible for ensuring risk management is in place across their business areas by providing leadership and direction and ensuring the management of risk is seen as good governance and “the way we do business”.

In 2019–20 a new Risk Strategy was introduced within the UKSC and informed all staff of the process for managing the risks associated with the delivery of the

Key Objectives for 2019–20. This Strategy was designed to ensure that any risks associated with the delivery of those objectives and business as usual activities are consistently approached.

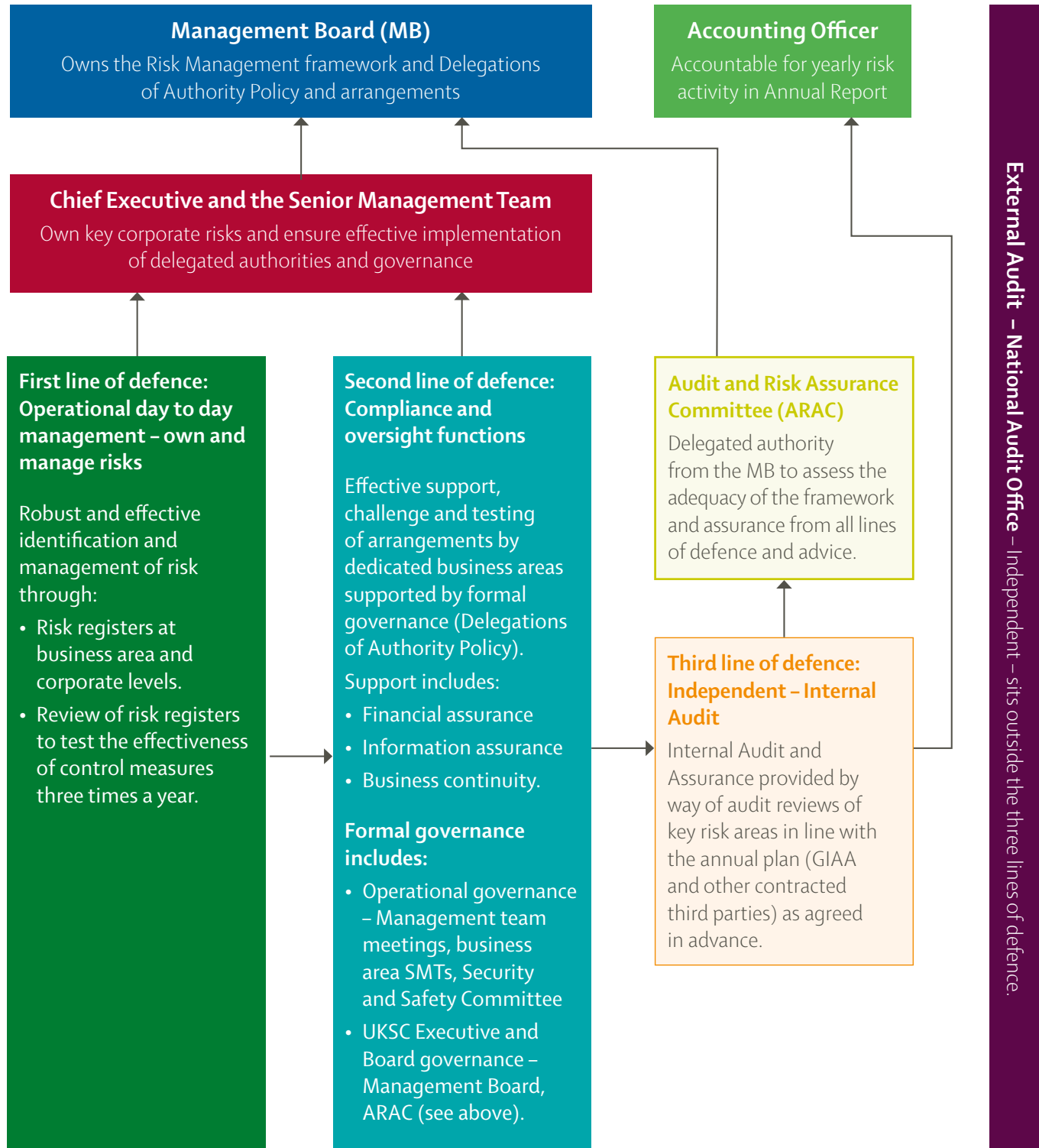
As well as supporting the delivery of the UKSC's objectives this Strategy, supported the development of innovative approaches, has enabled the UKSC to take risks which have been proportionate and properly assessed leading to positive outcomes, for example the use of video conferencing technologies towards the end of the year. This was achieved whilst supporting the UKSC's core business activities; ensuring the UKSC's stability; ensuring public money is handled with propriety and regularity; ensuring value for money and above all ensuring the justices, staff, the public and all users operate in a safe and secure environment.

To support the delivery of the UKSC's key objectives, two key principles were developed for the basis of the Risk Strategy:

- Enhance the culture of risk management within UKSC; and
- Develop and improve risk, assurance and governance reporting and processes to support the Management Board

To achieve this the three lines of defence model is used and as outlined below as this makes clear the key UKSC management functions, roles and responsibilities. The diagram below describes UKSC's three lines of defence arrangements.

Three lines of defence



Risk assessment 2019–20

In line with the annual review, the Management Board discussed the spread of risk across the UKSC and against the priorities as published in the Business Plan for 2019-20. With the introduction of the new Strategy the Board took the opportunity to review and refine the current spread of risk and enhance the current risks to ensure that realistic descriptors, causes and effects were identified to enable measurable activities and steps to be put in place to mitigate them. Whilst a number of risks remained similar and were merged because of their similarities, new risks were identified.

Top risks 2019–20

We have continued to manage our most significant risks during 2019-20 and this has been achieved by regular review and challenge, as well as the introduction of regular deep dives by ARAC.

Whilst there is a clear understanding of the spread of risk being managed by the UKSC, the focus in this year was to identify and mitigate the causes and effects of the risks and then embed those controls to reduce the likelihood of the risk being realised.

The risk themes identified at the beginning of 2019-20 were as follows:



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No risks were closed and removed from the risk register and no new risks were added.

| Risk theme | Strategic priorities (See section Two, pp 18-38, where the strategic proprieties are set out in detail.) | Key activities to manage our risks | Risk movement |
|---|---|--|--|
| Financial sustainability The UKSC is not financially sustainable within the current funding envelop | 1, 3 | <ul style="list-style-type: none"> ■ The financial sustainability risk has been managed through developing a detailed understanding of the financial pressures we face and the provisions of a supplementary estimate to mitigate the impact of external pressures placed on the UKSC. ■ We have received confirmation of the 2020-21 Spending Review settlement. ■ We are planning for the next spending review by building a detailed understanding of the costs we are likely to face in the next three to five years. | <p style="text-align: center;">↓</p> <p>The risk changed through the year between high and medium, particularly ahead of the agreement of the Supplementary Estimate in the autumn.</p> <p>The risk though ended the year at medium.</p> |
| Performance Workload volumes across the UKSC and JCPC are uncertain leading to a decrease in efficiency | 3, 7 | <ul style="list-style-type: none"> ■ This risk has remained at target with no movement through the year. Case volumes remain within tolerance and urgent matters can be dealt with in a timely fashion. | <p style="text-align: center;">→ ←</p> <p>This risk remained low and within tolerance for the whole year.</p> |

| Risk theme | Strategic priorities (See section Two, pp 18-38, where the strategic proprieties are set out in detail.) | Key activities to manage our risks | Risk movement |
|--|---|---|--|
| <p>Statutory compliance</p> <p>The UKSC does not effectively manage safety and security</p> | 3, 6, 7 | <ul style="list-style-type: none"> ■ We have security and safety procedures in place which are continuously monitored to ensure they are applied and remain current and appropriate. Through testing of the security arrangements throughout the year, we were able to identify and take forward incremental improvements focusing on communications and awareness. The profile and location of the Court will always mean that this is considered as a high priority and reflected in the risk assessment. ■ This risk is above target and will continue to be on the register in 2020-21. | <p>→ This risk has remained high all year.</p> <p>←</p> |
| <p>The UKSC does not effectively manage/adhere to its plans to achieve compliance with the General Data Protection Regulations</p> | 3, 6, 7 | <ul style="list-style-type: none"> ■ During 2019-20, the Government Internal Audit undertook a review of this area and reported a moderate opinion. The focus for 2019-20 has been on putting the framework in place to support implementation, coupled with improved information assurance awareness. ■ The likelihood of this risk has increased during the year as a result of slippage in the implementation plan. This risk is above target and will continue to be on the register in 2020-21. | <p>↑ This risk has been high all year.</p> <p>The risk has remained high all year.</p> |

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| Risk theme | Strategic priorities (See section Two, pp 18-38, where the strategic proprieties are set out in detail.) | Key activities to manage our risks | Risk movement |
|--|---|---|---|
| Service and project delivery The UKSC does not deliver the website project to time, cost and quality | 3 | <ul style="list-style-type: none"> ■ At the start of the year this project focused on the provision of new websites. However, following the identification of a clear set of requirements, this project was descoped and activities which could be delivered within time cost and quality were taken forward. This activity has been overseen by an appropriate project board. ■ This project will be closed at the end of 2019-20 and a wider transformation project established with supporting governance. | <p style="text-align: center;">↓</p> <p>The risk changed through the year between medium, high and then back to medium as a result of the project being descoped.</p> <p>The risk ended the year at medium.</p> |
| The UKSC does not manage high profile service delivery failure | 3, 6, 7 | <ul style="list-style-type: none"> ■ Operational service failures remained a consistently high risk throughout the reporting year as a result of the potential impact. This risk encapsulates delivery of buildings and IT services ranging from day to day IT provisions to the management to the UKSC's contracts, including security and cleaning. We continue to monitor performance in these area as well as developing contingency arrangements such as those which were implemented in March 2020 as a result of the COVID-19 pandemic (see page 20 for the "in focus" article). Will continue to be on the register. | <p style="text-align: center;">→ ←</p> <p>This risk has remained high all year.</p> |

| Risk theme | Strategic priorities (See section Two, pp 18-38, where the strategic priorities are set out in detail.) | Key activities to manage our risks | Risk movement |
|--|--|---|---|
| <p>Communications and reputation</p> <p>The UKSC's reputation is weakened by being unable to effectively respond to reactive communications</p> | 2, 3, 4, 7 | <ul style="list-style-type: none"> ■ Communications activity has been improved throughout the year with a review of the usage of social media platforms, supporting the justices on all aspects of engagement and crisis communications (linked with the security and safety risk above). ■ However, the increased profile of the Court as a result of judgments in 2019-20 led to a significant increase in those contacting the court (media and public) so the improvements managed the impact, but external factors led to an increase in likelihood. | <p>↑</p> <p>Whilst this risk remained medium throughout the year, the likelihood increased over the summer.</p> <p>The risk ended the year at medium.</p> |
| <p>People</p> <p>The UKSC have insufficient or insufficiently experienced/competent staff to run the Court effectively</p> | 3, 6, 7 | <ul style="list-style-type: none"> ■ During the year we have developed and implemented a more comprehensive skills matrix which has enabled a better understanding and awareness of learning needs across the whole of the UKSC. This also enabled the identification of those members of staff who can support and buddy others ensuring effective sharing of skills and experience. ■ Whilst this addressed the capability concerns, with the small FTE within the UKSC the moving on of only a few members of staff result on capacity and this has been prevalent through quarters 3 and 4. | <p>→</p> <p>←</p> <p>This risk remained high throughout the year however, the likelihood has decreased over the course of the year.</p> <p>The risk ended the year at high.</p> |

Risk management 2020-21

In the coming year we will:

- Continue to build into our everyday activities a proportionate risk strategy which will include the 'three lines of defence' model but reviewing and as necessary updating the Risk Strategy.
- Hold a risk workshop at the beginning of the reporting year to ensure that the current spread of risk remains accurate and that the mitigation in place will reduce the impact of the risk to an acceptable level.
- Support ARAC to deliver an annual programme of challenge sessions with risk owners to test the effectiveness of the controls and the mitigation.
- Build upon challenge feedback and other activities to deliver a year-long campaign of security and safety awareness and testing.

Managing the risk of fraud, bribery and corruption

The UKSC has zero tolerance of fraud, bribery and corruption. We have in place clear policies and procedures which are commensurate with the size of the department and ensure that we take a continuous improvement approach to managing risks in this area.

To reflect the intelligence-led model for counter fraud introduced across departments, in 2020-21 we intend to strengthen our existing approach and awareness. We will do this by aligning our policies more closely to the Cabinet Office cross government Fraud Functional Standards and this will enable the UKSC to measure its ability and preparedness to combat fraud and criminality. We will undertake a Fraud Risk Assessment, which will be used to strengthen our existing controls.

There were no reported incidents of fraud, bribery or corruption in the financial year 2019-20.

Whistleblowing

The UKSC has a Whistleblowing Policy which was last reviewed and updated in 2017. The policy allows staff to raise any concerns confidentially regarding the conduct of others in relation to any potential suspected fraud, security or risk of personal data disclosure. The Court's two Non-executive Board Members are the named nominated officers who will take forward any required investigation.

No concerns have been raised in this reporting period.

Information assurance

Each Information Asset Owner oversees the information assets for which they are responsible and must provide quarterly assurance statements to the Senior Information Risk Owner (SIRO) that the management of these assets has been in accordance with the Information Security Policy. This policy is reviewed annually by the Management Board. All staff and, on appointment, new starters are required to complete an annual training course on information handling practices to ensure compliance.

The administration was assessed for Cyber Essentials accreditation during 2019, an accreditation recognised by the National Cyber Security Centre and Cabinet Office. This accreditation exercise assesses the measures an organisation has in place to guard against the most common cyber threats and demonstrate commitment to cyber security. It does this by considering how the organisation:

- Secures its internet connections
- Secures devices and software
- Controls access to data and services
- Protects from viruses and other malware
- Keeps devices and software up-to-date

The assessment is carried out by an independent organisation.

Accreditation was achieved without any recommendations for further improvement. This will be reviewed annually to ensure continuous improvement.

Clear processes exist to ensure any information security breaches are identified promptly and reported appropriately. During 2019–20 there were no reported incidents.

Current control challenges

Throughout 2019-20 the UKSC had appropriate governance in place to mitigate control challenges and issues. Whilst there were a limited number of information security incidents these did not indicate a trend or any significant control challenge and were quickly and appropriately managed to mitigate their impact.

Furthermore, there were no significant findings from the internal audits undertaken by the Government Internal Audit Agency.

The UKSC has received an unqualified audit opinion which is an acceptable level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

Governance and risk assurance oversight arrangements

The Management Board and I gain assurance through:

- Up-to-date and comprehensive reports from executives of performance and finance at all Board meetings.
- Financial and administrative procedures which includes segregation of duties on key financial processes.
- Audit and Risk Assurance Committee (ARAC) overseeing the adequacy and effectiveness of risk management and the system of internal control for the organisation.
- Robust and effective challenge, from Non-executive Board Members and Independent Members of our governance processes.
- The Remuneration Committee overseeing the adequacy of pay, terms and conditions and performance management systems for the organisation.
- Regular review of the risk profile and effectiveness of the control systems through receipt of minutes from ARAC and Remuneration Committee meetings, review of performance reports and through direct feedback from the chairs of both ARA and the Remuneration Committees.
- Internal and External Audit reports and management letters.

Current control challenges

There were no significant findings from the internal audits undertaken by the Government Internal Audit Agency.

The UKSC has received a moderate internal audit opinion which is an acceptable level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

Remuneration and Staff Report

(This section has been audited)

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at

www.civilservicecommission.org.uk

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitable able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the government's departmental expenditure limits;
- The government's inflation targets.

The Review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review body can be found at www.ome.uk.com

Staff/justices numbers and related costs

| Staff/justices costs comprise | | | | | 2019-20 | 2018-19 |
|---|--------------|------------------|----------------------|---------------------|--------------|--------------|
| | Permanent | | | Others | | |
| | Justices | Front line staff | Administrative staff | Judicial assistants | Total | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Wages and salaries | 2,768 | 1,198 | 486 | 226 | 4,678 | 4,321 |
| Social security costs | 382 | 123 | 54 | 23 | 582 | 526 |
| Apprentice Levy | 14 | 0 | 0 | 0 | 14 | 13 |
| Supplementary judge | 26 | 0 | 0 | 0 | 26 | 38 |
| Other pension costs | 1,388 | 289 | 129 | 26 | 1,832 | 1,307 |
| Sub Total | 4,578 | 1,610 | 669 | 275 | 7,132 | 6,205 |
| Inward secondments | 0 | 0 | 65 | 0 | 65 | 84 |
| Agency staff | 0 | 22 | 0 | 0 | 22 | 0 |
| Voluntary exit costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,578 | 1,632 | 734 | 275 | 7,219 | 6,289 |
| Less recoveries in respect of outward secondments | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Net Costs | 4,578 | 1,632 | 733 | 275 | 7,219 | 6,289 |

Judicial Pension Scheme (JPS)

The JPS is an unfunded multi-employer defined benefit scheme which prepares its own Accounts, but for which UKSC is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the Resource Accounts of the Judicial Pension Scheme at www.official-documents.co.uk

Judicial pensions are paid by the UKSC. Contributions to the JPS is at a rate of 51.35% (2018-19, 38.45%). The amount of these contributions is included in the table shown above. Although the JPS is a defined benefit scheme, in accordance with FReM 6.2, UKSC accounts for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred.

Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS)

The Principal Civil Service Pension Schemes (PCSPS) and the Civil Servant and Other Pension Scheme – known as ‘Alpha’ – are unfunded multi-employer defined benefit schemes, therefore, the UKSC is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts).

For 2019-20, employer's contributions totalling £418,968 were payable to the PCSPS, (2018-19, £307,024) at one of four rates in the range of 26.6% to 27.9% (2018-19, 20% to 24.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2019-20 and will remain unchanged until 2020-2021. The contribution rates are set to meet the costs of the benefits accruing during 2019-20, to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £24,120 (2018-19, £17,937) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19, 8% to 14.75% of pensionable pay). Employers also match employee's contributions up to 3% of pensionable pay.

Contributions due to the partnership pension providers at the balance sheet date were £0 (2018-19, £0). Contributions prepaid at that date were NIL.

There were no early retirements on ill health grounds in 2019-20, (2018-19, none).

Average number of persons employed and justices that served

| The UKSC | | | | | 2019-20 | 2018-19 |
|--------------|-----------|-----------------|----------------------|---------------------|-----------|-----------|
| | Permanent | | | Other | Total | Total |
| | Justices | Programme staff | Administrative staff | Judicial assistants | | |
| Total | 12 | 32 | 10 | 9 | 63 | 59 |

The average number of full-time equivalent persons employed and justices that served during the year is shown in the table below. These figures include those working in the UKSC (including senior management) as included within the departmental resource account.

Staff composition

The table below shows the split between male and female employees, employed by UKSC during 2019-20.

| The UKSC | | | | | 2019-20 | 2018-19 |
|--------------|-----------|-----------------|----------------------|---------------------|-----------|-----------|
| | Permanent | | | Other | Total | Total |
| | Justices | Programme staff | Administrative staff | Judicial assistants | | |
| Female | 3 | 18 | 6 | 4 | 31 | 32 |
| Male | 9 | 14 | 4 | 5 | 32 | 27 |
| Total | 12 | 32 | 10 | 9 | 63 | 59 |

Employment Policy for Disabled Persons

The UKSC is committed to creating an inclusive workplace and values diversity. It demonstrates commitment to the recruitment and retention of people with disabilities. UKSC advertises for vacancies on the Civil Service Jobs website and offers a guaranteed interview to those candidates who declare themselves disabled and meet the minimum criteria for each vacancy. UKSC will always make reasonable adjustments to all stages of the recruitment process to help encourage applications from disabled candidates.

Disabled staff have access to the Civil Service Learning 'Positive Action Pathway' and managers can use the on-line resources to help be responsive in leading inclusive teams. All staff are encouraged to attend disability awareness training sessions throughout the year, including lunchtime events covering hidden disabilities. UKSC is committed to the 'Time to Change' pledge to reduce stigma around mental health issues and has worked closely with MIND to support a greater understanding across the organisation.

UKSC encourages all staff to declare any disabilities and seek support if required by creating a positive and open working environment. Learning and development conversations take place on a regular basis throughout the year and staff are coached and developed to progress with their job and seek promotion when opportunities arise.

Off-Payroll Engagements and Consultancy Costs

The UKSC did not enter into any off-payroll engagements in 2019-20 and 2018-19. The UKSC used the service of one consultant in 2019-20 and none in 2018-19.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Relevant Union Officials

Total number of employees who were relevant union officials between 1 April 2019 and 31 March 2020.

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 1 | 1 |

Percentage of time spent on facility time

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of their working hours on spent on facility time.

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | – |
| 1-50% | 1 |
| 51%-99% | – |
| 100% | – |

Percentage of pay bill spent on facility time

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of pay bill spent on facility time.

| First Column | Figures |
|---|------------|
| The total cost of facility time | £520 |
| The total pay bill (see note 2 and excludes agency and Justices paybill) | £2,618,618 |
| The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | 0.02% |

Paid trade union activities

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of time spent on paid trade union activities.

| First Column | Figures |
|--|---------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 0.0% |

Salary and Pension entitlements for Directors

Full details of the remuneration and pension interests of the Management Board are detailed below and are subject to audit:

Single Total figure of remuneration

| Name and title | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|--|--------------------------|-------------------------|-----------------------|-------|-------------------------|-------|--------------------------------------|----------------------------------|
| | Salary (£000) | (FTE) | Bonus payments (£000) | (FTE) | Pension benefits (£000) | (FTE) | Total (£000) | (FTE) |
| Mark Ormerod* Chief Executive | 80-85 (FTE 95-100) | 95-100 | – | – | 31 | 38 | 110-115 (FTE 130-135) | 130-135 |
| William Arnold (until 31 December 2018) Director for Corporate Services | – | 60-65 (FTE 85-90) | – | – | – | (14) | – | 50-55 (FTE 85-90) |
| Louise Di Mambro Registrar | 70-75 | 70-75 | 0-5 | 0-5 | 17 | 7 | 90-95 | 80-85 |
| Samantha Clarke Director for Corporate Services | 70-75 | 15-20 (FTE 70-75) | – | – | 27 | 9 | 100-105 | 25-30 (FTE 80-85) |
| Paul Brigland Head of IT and Building Services | 50-55 | 50-55 | 0-5 | 0-5 | 21 | 17 | 75-80 | 70-75 |
| Christopher Maile Head of Human Resources | 50-55 | 50-55 | 0-5 | 0-5 | 21 | 18 | 75-80 | 70-75 |
| Kenneth Ludlam Non-executive Board Member | 0-5 | 5-10 | – | – | – | – | 0-5 | 5-10 |
| Kathryn Cearns Non-executive Board Member | 0-5 | 5-10 | – | – | – | – | 0-5 | 5-10 |
| Tim Slater (from 29 July 2019) Non-executive Board Member | 5-10 | – | – | – | – | – | 5-10 | 0 |
| Ian Sewell Deputy Registrar and Costs Clerk | 50-55 | 45-50 | 0-5 | 0-5 | 21 | 19 | 70-75 | 65-70 |
| Sophia Linehan-Biggs** Head of communications | 35-40 (FTE 60-65) | 60-65 | 0-5 | 0-5 | 14 | 22 | 50-55 (FTE 80-85) | 85-90 |
| Janet Coull-Trisic** (from 14 January 2019) Head of communications | 45-50 (FTE 55-60) | 10-15 (FTE 50-60) | 0-5 | – | 19 | 5 | 65-70 (FTE 80-85) | 15-20 (FTE 55-60) |

*Part time from May 2019

**Job Share from Jan 2020

| Name and title | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|---|-------------------------|-------|-----------------------|-----|-------------------------|----|-------------------------|-------|
| | Salary (£000) | | Bonus payments (£000) | | Pension benefits (£000) | | Total (£000) | |
| Joyti Mackintosh (until 30 September 2019) Director of Finance | 25-30 (FTE 65-70) | 60-65 | 0-5 | 0-5 | (3) | 26 | 20-25 (FTE 85-90) | 90-95 |
| Sanjeet Bhumber (from 1 November 2019) Director of Finance | 25-30 (FTE 65-70) | - | - | - | 9 | - | 35-40 (FTE 85-90) | - |

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to United Kingdom taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

The Non-executive Board Members supply their services under the terms of a contract and are remunerated by the way of a daily attendance fee. There are no entitlements to pension or other contributions from the UKSC.

Benefits in kind

There were no benefits in kind.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual.

Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in UKSC in the financial year 2019-20 was £95,000 to £100,000 (2018-19, £95,000 to £100,000). This was 3.08 times (2018-19, 3.14 times) the median remuneration of the workforce, which was £31,649 (2018-19, £31,050).

In 2019-20, 0 (2018-19, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £14,478 to £75,297 (2018-19, £21,176 – £73,821).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Exit Packages

There were no payments for exit packages in 2019-20 and 2018-19.

Pension Benefits (Audited)

| Name and title | Accrued Pension at pension age as at 31 March 2019 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2020 | CETV at 31 March 2019 | Real Increase/ (Decrease) in CETV | Employer contribution to partnership pension account |
|--|---|--|-----------------------|-----------------------|-----------------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | Nearest £100 |
| Mark Ormerod Chief Executive | 10 – 15 | 0 – 2.5 | 169 | 132 | 25 | – |
| Louise di Mambro Registrar | 35 – 40 plus a lump sum of 115–120 | 0 – 2.5 plus a lump sum of 2.5 – 5 | 810 | 797 | 15 | – |
| Samantha Clarke Director of Corporate Services | 20 – 25 plus a lump sum of 45 – 50 | 0 – 2.5 plus a lump sum of 0 | 330 | 300 | 12 | – |
| Paul Brigland Head of IT and Building Services | 15 – 20 plus a lump sum of 40 – 45 | 0 – 2.5 plus a lump sum of 0 – 2.5 | 393 | 361 | 13 | – |
| Christopher Maile Head of Human Resources | 10 – 15 plus a lump sum of 25 – 30 | 0 – 2.5 plus a lump sum of 0 – 2.5 | 250 | 225 | 11 | – |
| Ian Sewell Deputy Registrar and Costs Clerk | 0 – 5 | 0 – 2.5 | 29 | 13 | 12 | – |
| Sophia Linehan-Biggs Head of communications | 5 – 10 | 0 – 2.5 | 53 | 45 | 4 | – |
| Janet Coull-Trisic (from 14 January 2019) Interim Head of communications | 5 – 10 | 0 – 2.5 | 78 | 63 | 8 | – |
| Joyti Mackintosh Director of Finance | 15 – 20 plus a lump sum of 35 – 40 | 0 – 2.5 plus a lump sum of 0 | 284 | 286 | (6) | – |
| Sanjeet Bhumber (from 1 November 2019) Director of Finance | 20 – 25 | 0 – 2.5 | 292 | 285 | 3 | – |

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service.

Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Management Commentary

Financial Position and Results for the Year Ended 31 March 2020

Financial Position (Statement of Financial Position)

The Court's activities are financed mainly by Supply voted by Parliament, contributions from various jurisdictions and financing from the Consolidated Fund.

The Court's Statement of Financial Position consists primarily of assets transferred from the Ministry of Justice (MoJ) at the inception of the UKSC on 1 October 2009. These were Property, Plant and Equipment and Intangible Assets totalling £30m. Of this, £29m represents land and buildings with the remainder being Office Equipment, Furniture and Fittings, Robes and Software Licenses.

A liability of £36m was also transferred from MoJ. This represents the minimum value of the lease payments for the UKSC building until March 2039.

There have been no substantial movements (apart from the revaluation of land and building) in the Gross Assets and Liabilities since the date of the transfer from MoJ.

Results for the Year (Statement of Comprehensive Net Expenditure)

The Statement of Comprehensive Net Expenditure represents the net total resources consumed during the year. The results for the year are set out in the Statement. These consist of:

- Net Operating Costs amounted to £6.1m (2018-19, £5.2m)
- Justices and staff costs of £7.2m (2018-19, £6.3m)
- Other Administration Costs of £0.3m (2018-19, £0.2m)
- Other Programme Costs of £6.8m (2018-19, £6.7m)
- Operating Income of £8.2m (2018-19, £8.0m)

The UKSC employed an average 51 (Full Time Equivalent) staff during the year ended 31 March 2020

(2018/19, 47 FTE). There were also 12 justices (2018/19, 12 justices) who served during the same period.

Accommodation costs and finance lease costs account for about 66% of nonpay costs (2018/19, 67%). Depreciation charges, library, repairs and maintenance and broadcasting costs were responsible for the majority of other non-pay costs.

The UKSC had operating income of £8.2m which was used to support the administration of justice. Out of this, £6.95m was received by way of contribution from the various jurisdictions i.e. £6.23m from HMCTS, £0.48m from the Scottish government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year were £0.87m whilst £0.27m was generated as Court fees for JCPC. The Court also had income of about £0.1m from Wider Market Initiatives such as event hire and sales of gift items.

Comparison of Outturn against Estimate (Statement of Parliamentary Supply)

Supply Estimates are a request by the Court to Parliament for funds to meet expenditure. When approved by the House of Commons, they form the basis of the statutory authority for the appropriation of funds and for the HM Treasury to make issues from the Consolidated Fund. Statutory authority is provided annually by means of Consolidated Fund Acts and by an Appropriation Act. These arrangements are known as the 'Supply Procedure' of the House of Commons.

The UKSC is accountable to Parliament for its expenditure. Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

The Statement of Parliamentary Supply provides information on how the Court has performed against the Parliamentary and HM Treasury control totals against which it is monitored. This information is supplemented by Note 1 which represents Resource Outturn in the same format as the Supply Estimate.

In the year ended 31 March 2020, the UKSC met all of its control totals. At £6.12m the net resource outturn was £1.36m less than the 2019-20 Estimate of £7.48m. £1m of this reported variance was due to non-utilization of the AME provision for diminution in the value of the building.

A reconciliation of resource expenditure between Estimates, Accounts and Budgets can be found below.

| Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets | 2019-20 |
|---|--------------|
| | £ |
| Net Resource Outturn (Estimates) | 3,048 |
| Adjustments to additionally include: Non-voted expenditure in the OCS | 3,085 |
| Net Operating Cost (Accounts) | 6,133 |
| Adjustments to additionally include: Resource consumption of non-departmental public bodies | 0 |
| Resource Budget Outturn (Budget) of which | 6,133 |
| Departmental Expenditure Limits (DEL) | 6,133 |
| Annually Managed Expenditure (AME) | 0 |

Statement of Cash Flows

The Statement of Cash Flow provides information on how the UKSC finances its ongoing activities. The main sources of funds are from the Consolidated Fund.

The Statement of Cash Flow shows a net cash outflow from operating activities of £4.2m.

Pensions Costs

Details about the Department's pensions costs policies are included in the notes to the accounts. Details of pension benefits and schemes for Management Board members are included in the remuneration report.

Sickness Absence

The average number of sick days per member of staff for 2019-20 was 6 days (2018-19, 1.5 days).

Data incidents

No recorded breaches concerning protected personal data were reported.

Principal risks and uncertainties

The key risks and uncertainties facing the Court are detailed in its risk register and on pages 107 to 114 of the Governance and Accountability Report.

Payment within 10 working days

The Department seeks to comply with the The Better Payments Practice Code for achieving good payment performance in commercial transactions. Further details regarding this are available on the website www.payontime.co.uk

Under this Code, the policy is to pay bills in accordance with the contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later.

However, in compliance with the guidance issued for government departments to pay suppliers within 10 working days, the UKSC achieved 91% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 5.1 days.

Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resource and Accounts Act 2000. He is head of the National Audit Office. He and his staff are wholly independent of the UKSC, and he reports his findings to Parliament.

The audit of the financial statements for 2019-20, resulted in an audit fee of £49K. This fee is included in non-cash item costs, as disclosed in Note 3 to these accounts. The C&AG did not provide any non-audit services during the year.

Other Elements of the Management Commentary

Information on the Management Board and committees, information assurance, data protection and sustainability is contained in the Our Performance and Controls, Governance and Accountability Report sections of this report.

Disclosure to Auditor

As far as I am aware, there is no relevant audit information of which the Department's auditors are unaware. I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

Signed on behalf of the UKSC by



Mark Ormerod
Chief Executive and Accounting Officer
9 September 2020

Parliamentary Accountability and Audit Report

(This section has been audited.)

Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the UKSC to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes.

The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net cash requirement (note 2) and analysis of income payable to the Consolidated Fund (note 3).

Summary of Resource and Capital Outturn 2019-20

| | | Estimate | | | Outturn | | | 2019-20 | 2018-19 |
|---------------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---|---------------|
| | | Voted | Non-voted | Total | Voted | Non-voted | Total | Voted outturn compared with Estimate: saving/(excess) | Outturn Total |
| Request for Resources | SoPs Note | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Departmental Expenditure Limit | | | | | | | | | |
| ■ Resources | 1.1 | 3,710 | 2,773 | 6,483 | 3,048 | 3,085 | 6,133 | 662 | 5,156 |
| ■ Capital | 1.2 | 555 | - | 555 | 454 | - | 454 | 101 | 472 |
| Annually Managed Expenditure | | | | | | | | | |
| ■ Resource | 1.1 | 1,000 | | 1,000 | - | - | - | 1,000 | - |
| Total Budget | | 5,265 | 2,773 | 8,038 | 3,502 | 3,085 | 6,587 | 1,763 | 5,628 |
| Non Budget | | - | - | - | - | - | - | - | - |
| Total | | 5,265 | | | 3,502 | | 6,587 | 1,763 | 5,628 |
| Total Resource | | 4,710 | 2,773 | 7,483 | 3,048 | 3,085 | 6,133 | 1,662 | 5,156 |
| Total Capital | | 555 | - | 555 | 454 | - | 454 | 101 | 472 |
| Total | | 5,265 | 2,773 | 8,038 | 3,502 | 3,085 | 6,587 | 1,763 | 5,628 |

Net Cash Requirement 2019-20

| | | 2019-20 | | | 2018-19 |
|--|-----------|--------------|--------------|---|--------------|
| | | Estimate | Outturn | Outturn compared with Estimate: saving/(excess) | Outturn |
| | SoPs Note | £000 | £000 | £000 | £000 |
| | 2 | 2,775 | 1,885 | 890 | 1,781 |

Administration Costs 2019-20

| | | 2019-20 | | | 2018-19 |
|--|------|--------------|------------|---|------------|
| | | Estimate | Outturn | Outturn compared with Estimate: saving/(excess) | Outturn |
| | Note | £000 | £000 | £000 | £000 |
| | | 1,103 | 901 | 202 | 819 |

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and Outturn are given in Note 1 and in the Management Commentary.

SoPS 1. Net Outturn

SoPS 1.1 – Analysis of resource outturn by Estimate line

| | | | | | | | 2019-20 | | | 2018-19 |
|---|----------------|----------------|-------------|---------------|----------------|--------------|---------------|----------------------|---|---------------|
| | Administration | | | Programme | | | Outturn | Estimate | | Outturn |
| | Gross £000 | Income £000 | Net £000 | Gross £000 | Income £000 | Net £000 | Total £000 | Net Total £000 | Net Total compared to Estimate £000 | Total £000 |
| Total Spending in Departmental Expenditure Limit | | | | | | | | | | |
| Voted | 1,009 | (108) | 901 | 10,229 | (8,082) | 2,147 | 3,048 | 3,710 | 662 | 2,251 |
| Non-voted | 0 | 0 | 0 | 3,085 | 0 | 3,085 | 3,085 | 2,773 | (312) | 2,905 |
| Annually Managed Expenditure | | | | | | | | | | |
| Voted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 1,000 | 0 |
| Total Resource | 1,009 | (108) | 901 | 13,314 | (8,082) | 5,232 | 6,133 | 7,483 | 1,350 | 5,156 |

SoPS 1.2 – Analysis of capital outturn by Estimate line

| | | | | 2019-20 | | | 2018-19 |
|---|---------------|----------------|-------------|----------------------|--------------------------------------|----------------------|---------|
| | Outturn | | | Estimate | | Outturn | |
| | Gross £000 | Income £000 | Net £000 | Net Total £000 | Net Total compared to Estimate | Net Total £000 | |
| Total Voted Spending in Departmental Expenditure Limit | | | | | | | |
| Total Capital | 454 | 0 | 454 | 555 | 101 | 472 | |

SoPS 2. Reconciliation of Net Resource Outturn to Net Cash Requirement

| | | | | 2019-20 | 2018-19 |
|--|-----------|--------------|--------------|---|--------------|
| | | Estimate | Outturn | Net total outturn compared with Estimate: Saving/(excess) | Outturn |
| | SoPs Note | £000 | £000 | £000 | £000 |
| Resource Outturn | 1.1 | 7,483 | 6,133 | 1,350 | 5,156 |
| Capital Outturn | 1.2 | 555 | 454 | 101 | 472 |
| Accruals to cash adjustments | | | | | |
| Adjustments to remove non-cash items: | | | | | |
| ▪ Depreciation | | (2,450) | (1,257) | (1,193) | (1,055) |
| ▪ Other non-cash items | | (40) | (49) | (9) | (40) |
| Adjustments to reflect movements in working balances: | | | | | |
| ▪ Decrease in inventories | | | (2) | 2 | (2) |
| ▪ Decrease in receivables | | – | (128) | 128 | (22) |
| ▪ Increase in payables | | – | (524) | 524 | (80) |
| ▪ Changes in payables falling due after more than one year | | – | 343 | (343) | 257 |
| Removal of non-voted budget items: | | | | | |
| Non-voted expenditure | | (2,773) | (3,085) | 312 | (2,905) |
| Net cash requirement | | 2,775 | 1,885 | 890 | 1,781 |

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

SoPS 3. Income payable to the Consolidated Fund

SoPS 3.1 Analysis of income payable to the Consolidated Fund

During the financial period, there were no amounts payable to the Consolidated Fund.

Losses and Special Payments

No exceptional kinds of expenditure such as losses and special payments, that require separate disclosure because of their nature or amount, have been incurred (£0, 2018-19).

Fees and Charges

| | 2019-20 | | | 2018-19 | | |
|--------------------------|----------------|---------------|--------------------|----------------|---------------|--------------------|
| | Income | Full Cost | Surplus/ (Deficit) | Income | Full Cost | Surplus/ (Deficit) |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Total court fees | (1,133) | 14,205 | (13,072) | (1,104) | 13,041 | (11,937) |
| Wider market initiatives | (108) | 108 | 0 | (117) | 117 | 0 |
| | (1,241) | 14,313 | (13,072) | (1,221) | 13,158 | (11,937) |

These are provided for fees' and charges' purposes and not for IFRS 8.

The UKSC does not recover its full cost of operations from Court fees as this might impede access to justice.

The Fees and Charges disclosure reflects the full cost for criminal and civil cases, as the the number of criminal applications received were immaterial.

The UKSC continues to monitor the number of criminal applications and will take the necessary steps where there is a material change, to ensure full compliance with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Conclusion

I am satisfied that we have effective governance, risk management and assurance arrangements in place as set out in this report.

Our arrangements are subject to regular review at a variety of levels; internally through our governance arrangements; through our Non-executive Board Members and independent Members; and through external audit. This meets the changing needs of the court and the environment in which we operate.

I agree there are no significant control issues within the UKSC and the JCPC at the current time and we strive to continually improve our arrangements to ensure that any matters which do come to light are responded to proportionately and effectively.

Signed on behalf of the UKSC by



Mark Ormerod
Chief Executive and Accounting Officer
9 September 2020

Section SIX

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament



Opinion on financial statements

I certify that I have audited the financial statements of the UK Supreme Court for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2020 and of the Department's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Emphasis of matter – material uncertainty regarding property valuation

I draw attention to the disclosures made in Note 1.15 Significant Accounting Estimates and Assumptions to the financial statements, which describes the effects of a material valuation uncertainty on the professional revaluation of the land and building asset arising from the impacts of COVID-19 on market prices for land and building costs. My opinion is not modified in respect of this matter.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2020 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the UK Supreme Court in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the UK Supreme Court's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the UK Supreme Court have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the UK Supreme Court's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UK Supreme Court's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the UK Supreme Court's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UK Supreme Court's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the UK Supreme Court to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the UK Supreme Court and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
9 September 2020

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Section SEVEN

Financial statements



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Statement of Comprehensive Net Expenditure

| | | 2019-20 | 2018-19 |
|---|------|----------------|----------------|
| | Note | £000 | £000 |
| Income from sale of goods and services | 4 | (8,082) | (7,885) |
| Other operating income | 4 | (108) | (117) |
| Total operating income | | (8,190) | (8,002) |
| Staff costs | 2 | 7,219 | 6,289 |
| Purchases of goods and services | 3 | 5,847 | 5,810 |
| Depreciation and amortisation charges | 5&6 | 1,257 | 1,059 |
| Total Expenditure | | 14,323 | 13,158 |
| Net Operating Cost for the year ended 31 March | | 6,133 | 5,156 |

Other Comprehensive Net Expenditure

| | | | |
|--|--|--------------|--------------|
| Net loss on revaluation of property, plant and equipment | | 107 | 905 |
| Total Comprehensive Expenditure for the year ended 31 March | | 6,240 | 6,061 |

The notes on pages 148 to 160 form part of these accounts.

Statement of Financial Position

| | Note | As at 31 March 2020 | | As at 31 March 2019 | |
|---|------|---------------------|-----------------|---------------------|-----------------|
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Property, Plant and Equipment | 5 | 42,252 | | 43,149 | |
| Intangible assets | 6 | 13 | | 26 | |
| Total non-current assets | | | 42,265 | | 43,175 |
| Current assets: Assets classified as held for sale | | | | | |
| Inventories | 9 | 1 | | 3 | |
| Trade and other receivables | 10 | 1,317 | | 1,445 | |
| Cash and cash equivalents | 11 | 271 | | 43 | |
| Total current assets | | | 1,589 | | 1,491 |
| Total assets | | | 43,854 | | 44,666 |
| Current liabilities | | | | | |
| Trade and other payables | 12 | (1,172) | | (485) | |
| Finance Lease | 12 | (2,663) | | (2,598) | |
| Total current liabilities | | | (3,835) | | (3,083) |
| Total assets less current liabilities | | | 40,019 | | 41,583 |
| Non current liabilities: | | | | | |
| Finance leases | 12 | (33,355) | | (33,698) | |
| Total non-current liabilities | | | (33,355) | | (33,698) |
| Total assets less liabilities | | | 6,664 | | 7,885 |
| Taxpayers' equity and other reserves | | | | | |
| General fund | | | (17,813) | | (16,699) |
| Revaluation reserve | | | 24,477 | | 24,584 |
| Total Equity | | | 6,664 | | 7,885 |

The notes on pages 148 to 160 form part of these accounts.

The Accounting Officer authorised these financial statements for issue.



Mark Ormerod
Chief Executive and Accounting Officer
9 September 2020

Statement of Cash Flows

| for the year ended 31 March 2019 | | 2019-20 | 2018-19 |
|---|------|----------------|----------------|
| | Note | £'000 | £'000 |
| Cash flows from operating activities | | | |
| Net operating cost | | (6,133) | (5,156) |
| Adjustment for non-cash transactions | 3 | 1,325 | 1,095 |
| Decrease in trade and other receivables | | 128 | 22 |
| Decrease in Inventories | | 2 | 2 |
| Increase in current trade payables | | 687 | 48 |
| Less movements in payables relating to items not passing through the SCNE | | (228) | (32) |
| Net Cash outflow from operating activities | | (4,219) | (4,021) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 5 | (473) | (472) |
| Purchase of intangible assets | 6 | (0) | 0 |
| Net Cash outflow from investing activities | | (473) | (472) |
| Cash flows from financing activities | | | |
| From the Consolidated Fund (Supply) – current year | | 2,113 | 1,813 |
| From the Consolidated Fund (non-Supply) | | 3,085 | 2,905 |
| Decrease in respect of finance leases | | (278) | (193) |
| Net Financing | | 4,920 | 4,525 |
| Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | | 228 | 32 |
| Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | | 228 | 32 |
| Cash and cash equivalents at the beginning of the period | 11 | 43 | 11 |
| Cash and cash equivalents at the end of the period | 11 | 271 | 43 |

The notes on pages 148 to 160 form part of these accounts.

Statement of Changes in Taxpayers' Equity

| | General Fund | Revaluation Reserve | Total Reserves |
|--|-----------------|---------------------|----------------|
| Note | £000 | £000 | £000 |
| Balance as at 31 March 2018 | (16,265) | 25,489 | 9,224 |
| Prior period Adjustment | – | – | – |
| Balance at 1 April 2018 | (16,265) | 25,489 | 9,224 |
| Net Parliamentary Funding – drawn down | 1,813 | | 1,813 |
| Net Parliamentary Funding – deemed | 11 | | 11 |
| Consolidated Fund Standing Services | 2,905 | | 2,905 |
| Supply (payable)/receivable adjustment | (43) | | (43) |
| Net Operating cost for the year | (5,156) | – | (5,156) |
| Non-Cash Adjustments | | | |
| Non-cash charges – external auditors' remuneration | 3 | 36 | 36 |
| Movement in reserves | | | |
| Movement in revaluation reserve | 5 | (905) | (905) |
| Balance at 31 March 2019 | (16,699) | 24,584 | 7,885 |
| Net Parliamentary Funding – drawn down | 2,113 | | 2,113 |
| Net Parliamentary Funding – deemed | 43 | | 43 |
| Consolidated Fund Standing Services | 3,085 | | 3,085 |
| Supply (payable)/receivable adjustment | (271) | | (271) |
| Net Operating cost for the year | (6,133) | | (6,133) |
| Non-cash charges – external auditors remuneration | 3 | 49 | 49 |
| Movement in revaluation reserve | 5 | (107) | (107) |
| Balance at 31 March 2020 | (17,813) | 24,477 | 6,664 |

The notes on pages 148 to 160 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Supreme Court of the United Kingdom (UKSC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Supreme Court of the United Kingdom (UKSC) are described below. They have been applied consistently in dealing with items which are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FRM also requires the Department to prepare two additional primary statements. *The Statement of Parliamentary Supply* and supporting notes showing outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.2 Accounting Convention

These accounts have been prepared on the going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. Also, there are no reconciling items.

1.3 Property, Plant and Equipment

The minimum level for the capitalisation of Property, Plant and Equipment is £5,000.

i. Land and Building

The UKSC Land & Building were deemed to be specialised operational properties and fair value was arrived at using DRC methodology. This was based on the assumption that the property could be sold as part of the continuing enterprise in occupation. On the basis of the above assumption, Fair Value under IAS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Westminster Valuation Office (VOA), using professionally qualified valuers, who are also members of the Royal Institution of Chartered Surveyor; using 31 March 2020 and 31 March 2019 as valuation dates. The VOA and its staff are independent of the UK Supreme Court. The Revaluation Surplus balance at year end was £24.5m; with a decrease of £1.2m in the Land value and an increase of £1.1m in the building value during the financial year.

ii. Other Plant and Equipment

These were valued at cost. The Department has decided not to apply Modified Historic Costs Accounting for Other Plant and Equipment as the adjustments would be immaterial.

1.4 Intangible Fixed Assets

Computer software licences with a purchased cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost.

1.5 Depreciated or Amortised

Freehold land and assets in the course of construction are not depreciated. All other assets are depreciated from the month following the date of acquisition. Depreciation and amortisation is at the rates calculated to write-off the valuation of the assets by applying the straight-line method over the following estimated useful lives.

Property, Plant and Equipment:

| | |
|------------------------|-----------|
| Building | 40 years |
| Office Equipment | 3-7 years |
| Furniture and fittings | 4-7 years |
| Robes | 50 years |

Intangible assets:

| | |
|---|---------|
| Computer Software and software licences | 7 years |
|---|---------|

1.6 Inventory

Closing stocks of gift items for re-sale are held at the lower of cost and net realisable value. Cost of consumables stores held by the Department are not considered material and are written off in the operating cost statement as they are purchased.

1.7 Operating Income

The UKSC has three distinct streams of income, namely: 1) contributions from HM Treasury via the Ministry of Justice, Northern Ireland and Scotland; 2) Wider Market Initiatives which includes fees from courtroom hire, tours and from justices sitting in other jurisdictions and sale of gift items; and 3) Court fees. The contributions are receivable based on a Memorandum of Understanding with the jurisdictions and MoJ, which means it is outside of the scope of IFRS 15. For the Wider Market Initiatives, contracts are issued for courtroom hire and the income is recognised in the financial period of the event. Similarly, income from tours, justices sitting in other jurisdictions and sales of gift items are recognised when the performance obligation has been fulfilled. Court fees are charged at the point they are accepted through the defined system of processing cases. The condition under which fees are paid are based on legislation and regulation. Therefore for these streams, income is recognised under IFRS15.

1.8 Administration and Programme Expenditure

The classification of expenditure and income as administration or as programme follows the definition of the Consolidated Budgeting Guidance, except where there is a special arrangement with HM Treasury.

1.9 Pensions

UKSC employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and non-contributory except in respect of dependants benefits. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

The contributions to PCSPS are set out in the Remuneration Report.

1.10 Leases

Where substantially all risks and rewards of ownership are borne by the UKSC, the asset is recorded as a tangible asset and the debt is recorded to the lessor over the minimum lease payment discounted by the interest rate implicit in the lease. The finance cost of the finance lease is charged to the operating cost statement over the lease period at a constant rate in relation to the balance outstanding and a liability is recognised equal to the minimum lease payments discounted by an annual rate of 6.7%.

1.11 External Audit Costs

A charge reflecting the cost of the audit is included in the operating costs. The UKSC is audited by the Comptroller and Audit General. No charge by the C&AG is made for this service but a non cash charge representing the cost of the audit is included in the accounts.

1.12 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from Her Majesty's Revenue and Customs is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Operating Cost Statement, or if it is incurred on the purchase of a fixed asset it is capitalised in the cost of the asset.

1.13 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Provisions are recognised in the accounts where:

- a) there is a present obligation as a result of a past event;
- b) it is probable that a transfer of economic benefits will be required to settle the obligation, and;
- c) a reliable estimate can be made of the amount.

There are no provisions recognised in the accounts.

Contingencies are disclosed in the notes to the accounts unless the possibility of transfer in settlement is remote.

1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.15 Significant Accounting Estimates and Assumption

A professional valuation is obtained each year from Valuation Office Agency (VOA) on the basis of existing use as set out in the Royal Institute of Chartered Surveyors ("RICS") Appraisal and Valuation Manual. However, COVID-19 has impacted global markets in many sectors. The current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. This results in material uncertainty in the valuation of land and buildings. Consequently, less certainty – and a higher degree of caution – should be attached to our valuations than would normally be the case.

The material valuation uncertainty relate to various asset categories which are as follows:

- Specialised In Use (Operational) assets – buildings valued using depreciated replacement cost (DRC). There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of COVID-19. Regarding the Building Cost Information Service (BCIS) cost indices used, any material changes in fluctuations in BCIS indices published and adopted will have a material effect on the building valuations. The BICS cost indices may change due to the fact that market conditions with new construction output is likely to fall in 2020 as a result of the COVID-19, as it affects labour availability on sites and delays or leads to cancellation of projects in the pipeline.
- Non – Specialised In Use (Operational) assets including the land element of the depreciated replacement cost valuation of specialised assets. There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of COVID-19. Any material changes to market conditions will have a dramatic effect on the movement in value.

Due to building costs that input into DRC valuations and the greater uncertainty in markets within the land element which the valuation at 31 March 2020 is based, we consider there to be material uncertainty in this valuation at the reporting date which has been triggered by COVID-19. Going forward we will keep the valuation of the property under frequent review.

1.16 Changes in Accounting Policies

There are no changes to accounting policies arising from new IFRSs and any new or ammended standards announced but not yet adopted. There are also no voluntary changes to accounting policies that have had an impact in these accounts.

The UKSC assessed the impact of IFRS 16 – Leases, which will become effective from the 2021-22 financial year. The results indicate that it will not affect any material balances in the financial statements. The only lease held is classified as a finance lease and its treatment will not change under IFRS 16. Also, no further disclosures will be required.

2. Staff/Justices Related Costs

| A – Staff/justices costs comprise | 2019-20 | 2018-19 |
|-----------------------------------|--------------|--------------|
| | Total | Total |
| | £000 | £000 |
| Wages and salaries | 4,678 | 4,321 |
| Social security costs | 582 | 526 |
| Apprentice levy | 14 | 13 |
| Supplementary security | 26 | 38 |
| Other pension costs | 1,832 | 1,307 |
| Sub Total | 7,132 | 6,205 |
| Inward secondments | 65 | 84 |
| Agency staff | 22 | 0 |
| Voluntary exit costs | 0 | 0 |
| Total Net Costs | 7,219 | 6,289 |

No salary costs have been capitalised. Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while the Pension costs are paid for by the UKSC. Further details are provided in the Remuneration and staff Report from page 117.

3. Purchases of Goods and Services

| | Note | 2019-20 | | 2018-19 | |
|--|------|---------|--------------|---------|--------------|
| | | £000 | £000 | £000 | £000 |
| Accommodation costs | | 1,956 | | 2,093 | |
| Finance costs | | 2,508 | | 2,511 | |
| Library costs | | 305 | | 272 | |
| IT costs | | 168 | | 173 | |
| Publicity and communications | | 46 | | 145 | |
| Broadcasting costs | | 173 | | 175 | |
| Repairs and maintenance | | 227 | | 121 | |
| Recruitment and judicial appointment costs | | 48 | | 52 | |
| Transportation costs | | 86 | | 58 | |
| Other Staff costs | | 33 | | 38 | |
| Hospitality and events | | 19 | | 33 | |
| Printing, postage, stationery and publications | | 153 | | 64 | |
| Internal Audit and Governance expenses | | 18 | | 18 | |
| Other costs | | 4 | | 2 | |
| International judicial travel | | 35 | | 19 | |
| Sub Total | | | 5,779 | | 5,774 |
| Non-Cash items: | | | | | |
| Depreciation | 5 | 1,244 | | 1,042 | |
| Amortisation | 6 | 13 | | 13 | |
| Realised gain from building | | - | | - | |
| Loss on disposal of non-current asset | | 19 | | 4 | |
| External Auditors' Remuneration | | 49 | | 36 | |
| Total Non-Cash | | | 1,325 | | 1,095 |
| Total Costs | | | 7,104 | | 6,869 |

4. Income

| Operating Income, analysed by classification and activity, is as follows: | 2019-20 | | 2018-19 | |
|---|---------|----------------|---------|----------------|
| | £000 | £000 | £000 | £000 |
| Contribution from HMCTS | (6,232) | | (6,064) | |
| Contribution from Scottish government | (478) | | (478) | |
| Contribution from Northern Ireland Court and Tribunal Service | (239) | | (239) | |
| Total Contributions | | (6,949) | | (6,781) |
| Court Fees – UKSC | | (867) | | (809) |
| Court Fees – JCPC | | (266) | | (295) |
| Wider Market Initiatives | | (108) | | (117) |
| Total Income | | (8,190) | | (8,002) |

5. Property, Plant and Equipment

| 2019-20 | Land | Building | Office equipment | Furniture and fittings | Robes | Total |
|---|---------------|----------------|------------------|------------------------|-------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | |
| At 1 April 2019 | 19,700 | 27,126 | 2,261 | 2,912 | 155 | 52,154 |
| Additions | – | 141 | 127 | 205 | – | 473 |
| Revaluations | (1,200) | 1,093 | – | – | – | (107) |
| Disposals | – | – | (74) | – | – | (74) |
| At 31 March 2020 | 18,500 | 28,360 | 2,314 | 3,117 | 155 | 52,447 |
| Depreciation | | | | | | |
| At 1 April 2019 | – | (5,241) | (1,467) | (2,267) | (30) | (9,005) |
| Charged in year | – | (759) | (182) | (300) | (3) | (1,244) |
| Disposals | – | – | 55 | – | – | 55 |
| At 31 March 2020 | – | (6,000) | (1,594) | (2,567) | (33) | (10,194) |
| Carrying amount at 31 March 2020 | 18,500 | 22,360 | 720 | 550 | 122 | 42,252 |
| Asset Financing | | | | | | |
| Owned | 1,392 | | | | | |
| Finance Leased | 40,860 | | | | | |
| On-balance sheet | 42,252 | | | | | |

| 2018-19 | Land | Building | Office equipment | Furniture and fittings | Robes | Total |
|--|---------------|----------------|------------------|------------------------|-------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | |
| At 1 April 2018 | 20,800 | 26,931 | 1,986 | 2,725 | 155 | 52,597 |
| Additions | – | – | 285 | 187 | – | 472 |
| Revaluations | (1,100) | 195 | – | – | – | (905) |
| Disposals | – | – | (10) | – | – | (10) |
| At 31 March 2019 | 19,700 | 27,126 | 2,261 | 2,912 | 155 | 52,154 |
| Depreciation | | | | | | |
| At 1 April 2018 | – | (4,494) | (1,318) | (2,131) | (26) | (7,969) |
| Charged in year | – | (747) | (155) | (136) | (4) | (1,042) |
| Disposals | – | – | 6 | – | – | 6 |
| At 31 March 2019 | – | (5,241) | (1,467) | (2,267) | (30) | (9,005) |
| Carrying value at 31 March 2019 | 19,700 | 21,885 | 794 | 645 | 125 | 43,149 |
| Asset Financing | | | | | | |
| Owned | 1,564 | | | | | |
| Finance Leased | 41,585 | | | | | |
| On-balance sheet | 43,149 | | | | | |

6. Intangible Non-Current Assets

| 2019-20 | Purchased software licences |
|--|-----------------------------|
| | £000 |
| Cost or valuation | |
| At 1 April 2019 | 210 |
| Additions | – |
| Impairment | – |
| Donations | – |
| At 31 March 2020 | 210 |
| Amortisation | |
| At 1 April 2019 | (184) |
| Charged in year | (13) |
| Impairment | – |
| At 31 March 2020 | (197) |
| Net book value at 31 March 2020 | |
| 13 | |
| 2018-19 | Purchased software licences |
| | £000 |
| Cost or valuation | |
| At 1 April 2018 | 210 |
| Additions | – |
| Revaluations | – |
| Impairment | – |
| Donations | – |
| At 31 March 2019 | 210 |
| Amortisation | |
| At 1 April 2018 | (171) |
| Charged in year | (13) |
| Revaluations | – |
| Impairment | – |
| At 31 March 2019 | (184) |
| Net book value at 31 March 2019 | |
| 26 | |

7. Financial Instruments

As the Cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

Consequently, the UKSC will not experience any material impact on its balances as a result of the implementation of the new IFRS 9 for Financial Instruments.

8. Impairments

The total impairment charge for the year is analysed below:

| | | 2019-20 | 2018-19 |
|---|------|--------------|--------------|
| | Note | £000 | £000 |
| Amount charged direct to Operating Cost Statement | 4 | – | |
| Amount taken through the revaluation reserve | 5 | 1,200 | 1,100 |
| Total | | 1,200 | 1,100 |

9. Inventories

| | 2019-20 | 2018-19 |
|------------------|----------|----------|
| | £000 | £000 |
| Opening Balances | 3 | 5 |
| In Year Movement | (2) | (2) |
| Total | 1 | 3 |

10. Trade Receivables and other Current Assets

| A. Analysis by type | 2019-20 | 2018-19 |
|---|--------------|--------------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Trade Receivables | 6 | 5 |
| VAT Recoverable | 137 | 93 |
| Staff Receivables | 17 | 16 |
| Prepayment and Accrued Income | 1,157 | 1,331 |
| Total | 1,317 | 1,445 |
| B. Intra-Government Balances | 2019-20 | 2018-19 |
| | £000 | £000 |
| Balances with other central government bodies | 137 | 93 |
| Balances with local authorities | – | – |
| Subtotal: intra-government balances | 137 | 93 |
| Balances with bodies external to government | 1,180 | 1,352 |
| Total Receivables at 31 March | 1,317 | 1,445 |

11. Cash and Cash Equivalents

| | 2019-20 | 2018-19 |
|--|------------|-----------|
| | £000 | £000 |
| Balance at 1 April | 43 | 11 |
| Net changes in cash and cash equivalent balances | 228 | 32 |
| Balance at 31 March | 271 | 43 |
| The following balances at 31 March were held at: | | |
| Government Banking Service (RBS) | 271 | 43 |
| Balance at 31 March | 271 | 43 |

12. Trade Payables and other Current Liabilities

| A. Analysis by type | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Other taxation and Social Security | (105) | (89) |
| Trade payables | (465) | (179) |
| Amounts issued from the Consolidated Fund for supply but not spent at year end | (271) | (43) |
| Accruals and Deferred Income | (331) | (174) |
| Finance leases | (2,663) | (2,598) |
| | (3,835) | (3,083) |
| Amounts falling due after more than one year | | |
| Finance leases | (33,355) | (33,698) |
| | (37,190) | (36,781) |
| B. Intra-Government Balances | | |
| | 2019-20 | 2018-19 |
| | £000 | £000 |
| Balances with other central government bodies | (376) | (132) |
| Subtotal: intra-government balances | (376) | (132) |
| Balances with bodies external to government | (36,814) | (36,649) |
| Total payables at 31 March | (37,190) | (36,781) |

13. Provisions for Liabilities and Charges

There were no provisions or claims during 2019-20 and in 2018-19.

14. Capital Commitments

There were no capital commitments in 2019-20 or 2018-19.

15. Commitments Under Leases

| 15.1 – Finance leases | 2019-20 | 2018-19 |
|-----------------------|---------|---------|
| | £000 | £000 |

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

Obligations under finance leases comprise:

Land

| | | |
|--|---------------|---------------|
| Not later than 1 year | 1,286 | 1,313 |
| Later than 1 year and not later than 5 years | 5,475 | 5,589 |
| Later than 5 years | 23,830 | 26,419 |
| Sub-total | 30,591 | 33,321 |
| Less: Interest Element | (14,284) | (16,126) |
| Net Total | 16,307 | 17,195 |

Building

| | | |
|--|---------------|---------------|
| Not later than 1 year | 1,555 | 1,459 |
| Later than 1 year and not later than 5 years | 6,617 | 6,208 |
| Later than 5 years | 28,803 | 29,349 |
| Sub-total | 36,975 | 37,016 |
| Less: Interest Element | (17,264) | (17,915) |
| Net Total | 19,711 | 19,101 |

| | | |
|--------------------|---------------|---------------|
| Grand Total | 36,018 | 36,296 |
|--------------------|---------------|---------------|

| 2019-20 | 2018-19 |
|---------|---------|
| £000 | £000 |

Present Value of Obligations under finance lease for the following periods comprise:

Land

| | | |
|--|---------------|---------------|
| Not later than 1 year | 1,206 | 1,231 |
| Later than 1 year and not later than 5 years | 4,369 | 4,457 |
| Later than 5 years | 10,733 | 11,507 |
| Sub-total | 16,308 | 17,195 |

Building

| | | |
|--|---------------|---------------|
| Not later than 1 year | 1,457 | 1,367 |
| Later than 1 year and not later than 5 years | 5,281 | 4,951 |
| Later than 5 years | 12,972 | 12,783 |
| Sub-total | 19,710 | 19,101 |

| | | |
|--------------------|---------------|---------------|
| Grand Total | 36,018 | 36,296 |
|--------------------|---------------|---------------|

16. Commitments Under PFI Contracts

There were no commitments under PFI contracts in 2019-20 or 2018-19.

17. Other Financial Commitments

UKSC has not entered into any non-cancellable contracts (which are not operating leases or PFI contracts).

18. Contingent Liabilities Disclosed Under Ias 37

There were no contingent liabilities that meet the criteria of IAS 37 in 2019-20 or 2018-19.

19. Related-Party Transactions

None of the Non-executive Board Members, President, Key managerial staff or related parties have undertaken any material transactions with UKSC during the year other than the pay information disclosed in the Remuneration Report.

UKSC had a number of significant transactions with the Ministry of Justice and Her Majesty's Revenue and Customs Service.

20. Third Party Assets

In all civil cases where an Appeal lay to the House of Lords under the provisions of the Appellate Jurisdiction Act 1876, Appellants must provide security for the costs of such Appeals. This payment was made to the House of Lords Security Fund Account which recorded the receipt, payment and disposition of the lodgements for each financial year. The balance on this Security Fund Account was transferred to The Supreme Court on 1st October 2009 and is now operated as The Supreme Court Security Fund Account. No interest is paid on the lodgements, nor are any fees deducted. Security Fund monies are payable to the relevant party, usually on the issue of the Final Judgement or Taxation of the Bill of Costs.

Securities held on behalf of third parties are not included in UKSC's Statement of Financial Position.

| | 2019-20 | 2018-19 |
|--|------------|------------|
| | £000 | £000 |
| Balance as at 01 April | 558 | 435 |
| Add; receipts – Lodgements by Appellants | 185 | 283 |
| Less: Repayments to Appellants/Respondents | (18) | (160) |
| Balance as at 31 March | 725 | 558 |

21. Events after the reporting period date

In accordance with the requirements of IAS 10 'Events after the Reporting Period', events are considered up to the date on which the financial statements are authorised for issue, which is interpreted as the date of the certificate and report of the Comptroller and Auditor General. There are no subsequent events to report.

Signed on behalf of the UKSC by



Mark Ormerod
Chief Executive and Accounting Officer
9 September 2020

Annex

Jurisdictions where the JCPC is the final Court of Appeal

Anguilla
 Antigua and Barbuda
 Ascension
 Bahamas
 Bermuda
 British Antarctic Territory
 British Indian Ocean Territory
 British Virgin Islands
 Cayman Islands
 Cook Islands and Niue
 Falkland Islands
 Gibraltar
 Grenada
 Guernsey
 Isle of Man
 Jamaica
 Jersey
 Kiribati
 Mauritius
 Montserrat
 Pitcairn Islands
 Saint Christopher and Nevis
 St Helena
 St Lucia*
 St Vincent and the Grenadines
 Sovereign Base of Akrotiri and Dhekelia
 Trinidad and Tobago
 Tristan da Cunha
 Turks and Caicos Islands
 Tuvalu

United Kingdom

Royal College of Veterinary Surgeons
 Church Commissioners
 Arches Court of Canterbury
 Chancery Court of York
 Prize Courts
 Court of the Admiralty of the Cinque Ports

Brunei

Civil Appeals from the Court of Appeal to the Sultan and Yang di-Perchian for advice to the Sultan
 Power to refer any matter to the Judicial Committee under section 4 of the Judicial Committee Act 1833

*The government of St Lucia has previously communicated its intention to accede to the Caribbean Court of Justice's appellate jurisdiction. This has yet to take effect.

