

The Supreme Court
Annual Report and Accounts
2012–2013

The Supreme Court Annual Report and Accounts 2012–2013

Annual Report presented to Parliament pursuant to Section 54(1)
of the Constitutional Reform Act 2005.

Accounts presented to the House of Commons pursuant to
Section 6(4) of the Government Resources and Accounts Act 2000.
Accounts presented to the House of Lords by Command of Her Majesty.

Ordered by the House of Commons to be printed on 20 May 2013.

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You can download this publication from www.supremecourt.gov.uk

ISBN: 9780102983234

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2557463 05/13

Printed on paper containing 75% recycled fibre content minimum.

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foreword

BY THE PRESIDENT OF THE SUPREME COURT
LORD NEUBERGER



Having succeeded Lord Phillips in October 2012, I am writing my first foreword to an Annual Report of the UKSC and JCPC.

I would like to start by paying tribute to my predecessor for all that he did to establish the UKSC as an institution separate from the United Kingdom Parliament, serving all the jurisdictions of the United Kingdom. Whilst there is much about the work here that is familiar from my time as a Lord of Appeal in Ordinary between 2007 and 2009, there have been significant improvements in the way in which the Justices go about their business, as well as in the way in which the Justices are supported. Above all, there have been great improvements to the openness, visibility and accessibility of the Court.

All the Justices deserve gratitude for their hard work during a challenging few months. We have been short of a Justice since October when Lord Dyson succeeded me as Master of the Rolls. During the period since then the Court has had to consider a number of heavy and demanding cases. For this, and other reasons, I welcome the fact that the selection commission process has been completed and that two new Justices will be sworn in on 9 April. I am very grateful to those judges from England and Wales, Scotland and Northern Ireland who have sat in both the UKSC and the JCPC to help us out. My thanks

also go to the Lord Chief Justices of England and Wales, and of Northern Ireland, and to the Lord President of the Court of Session for their assistance in making judges available for this purpose.

The Supreme Court was very sorry to say goodbye to Lord Brown in the early part of the year, and to Lord Walker who had to retire towards the end of the year, each having reached the age of 75. Their wisdom and experience will be greatly missed by us all. A reference to the valedictory remarks made about Lord Walker in court on 14 March can be found elsewhere in the report.

The report summarises the substantial work that has taken place in order to fulfil the Business Plan for the UKSC and JCPC. My thanks, and those of all the Justices, go to Jenny Rowe, the Chief Executive and the staff of the Supreme Court for their hard work and support over the past year.

We look forward to the forthcoming year.

introduction

BY THE CHIEF EXECUTIVE
JENNY ROWE



I have pleasure in presenting the Annual Report and Accounts for the UKSC and JCPC for the financial year 2012–13.

This has been a year of consolidation in some areas, whilst in others we have continued to make changes of our own, as well as to respond to significant changes in the environment in which we operate. We have now achieved full integration of the UKSC and JCPC staff and, in the Registry, all staff have been trained to support the work of both courts. The new finance system has bedded in and has successfully supported this year's audit. We have continued to review our external contracts with a view to ensuring the most appropriate service for our specific needs and the best value for money. The details are covered elsewhere in the Report but we are pleased with the outcomes we have achieved, which will make a contribution to our being able to manage within our Spending Review settlement for the next financial year.

During the year we have been engaged with the Ministry of Justice on potential changes to the Constitutional Reform Act 2005. We anticipate those changes will form part of the Crime and Courts Act, which is expected to receive Royal Assent in April/May 2013.

Towards the end of this year we welcomed our 250,000th visitor to the building. This demonstrates the success we have achieved in enhancing the openness and accessibility of the highest court in the United Kingdom, as well as of the JCPC.

There have been some changes in staff over the year. The Deputy Head of Communications was promoted to head that team and we welcomed a new Deputy Head who joined from outside the Court. Our temporary Assistant Librarian left to take up a post at Lincoln's Inn and her successor took up his post in November. We also appointed a new Finance Manager and are well advanced in the process to identify a new Information/ Customer Services Officer to replace one who left at Christmas.

We also, of course, had to say goodbye to some Justices. Lord Brown retired on 9 April, as the longest-serving Judge in the UK. He is much missed by all. Whilst congratulating Lord Dyson on his appointment as Master of the Rolls we were sorry to see him go. Lord Phillips retired from the Court on 30 September, but has continued to keep closely in touch with the Court and developments which affect our operation and administration. I remain personally grateful for all the support he provided during his tenure as President. We have also recently seen Lord Walker retire and we wish him a long and happy retirement.

In April Lord Carnwath replaced Lord Brown; and in October we welcomed Lord Neuberger who became the second President of the Supreme Court.

The success of any organisation depends to a large extent on its staff and I am grateful to all permanent members of staff, as well as those staff who provide essential services, such as security, cleaning, and catering under outsourced contracts, for everything they have done to ensure the Supreme Court and JCPC work smoothly.



section one

setting direction: our objectives and operating context

Our Mission

The mission of the Supreme Court of the United Kingdom (UKSC) is to ensure that the President, Deputy President and Justices of the Court can deliver just and effective determination of appeals heard by the Court, in ways which also best develop the Rule of Law and the administration of justice.

Our Strategic Objectives

- 1 The UKSC 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.
- 2 The UKSC will maintain and increase confidence in the administration of justice throughout the United Kingdom. It will promote transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. It will thereby promote knowledge of the importance of the Rule of Law, not least as a guarantee of democratic freedom.
- 3 The UKSC 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 they are provided. In particular it 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.
- 4 The UKSC will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.
- 5 The UKSC and, as appropriate, the JCPC will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share their common law heritage.
- 6 The UKSC will demonstrate appropriate corporate social responsibility. In particular it will promote diversity amongst its staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. It will also both source its supplies and consume its resources in ways which contribute as much as possible to sustainable development and the conservation of the world's natural resources.
- 7 The UKSC, as the statutory custodian of its own records, will provide the most appropriate environment it can for the organisation, preservation and future inspection of those records.
- 8 The UKSC, as occupant of the former Middlesex Guildhall, will promote knowledge of, and interest in, this historic building, the works of art it houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

These objectives informed the business plan for 2012–13.

Our Values

While the Mission and Strategic Objectives on the preceding pages inform our Business Plan, and the objectives of individual members of staff, the way in which we carry out these tasks is underpinned by our values. All staff, including those with us on a temporary basis, for example, Judicial Assistants, are expected to follow the core values and behaviours set down in the Civil Service Code. In addition, we have developed our own set of values, more specific to the organisation. These were the subject of consultation with all staff during 2011–12, and the year covered by this Annual Report has been one of consolidation.

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 Supreme Court 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.

Maintaining Effective Relationships with all Jurisdictions in the United Kingdom

Although we are located in London, we are responsible for two courts, one of which serves the whole of the United Kingdom, and the other which serves 27 countries, territories and jurisdictions around the world. It is one of our strategic priorities to maintain effective relationships with the judges, devolved administrations, and other organisations throughout the United Kingdom; and with those in the jurisdictions which use the JCPC.

The United Kingdom

The context within which the Court operates, particularly in relation to the developing devolution settlements in Scotland, Wales and Northern Ireland, means that the UKSC's role has continued to be one of some prominence. This serves to emphasise the importance of building and maintaining relationships with judges, lawyers, the devolved administrations, and other bodies throughout the United Kingdom. This aspect of our work involves both Justices and staff. It is an expectation that Justices who originate from either Scotland or Northern Ireland will keep in touch with judges and lawyers in those jurisdictions. Lord Hope and Lord Reed have done this throughout the year for Scotland, and Lord Kerr plays a similar role in relation to Northern Ireland. Lord Hope is a member of the Judicial Council for Scotland which currently meets three times a year in Edinburgh.

The Chief Executive has continued her regular round of visits around the United Kingdom. She visited Northern Ireland

on 4–6 September 2012. In addition to attending the ceremonies at the Royal Courts of Justice, Belfast, for the Call to the Bar and to mark the Opening of the Legal Year, she had meetings with the Lord Chief Justice, the Chief Executive of the Courts and Tribunal Service, the Director of Access to Justice in the Department of Justice, the Acting Chief Executive of the Bar Council; the Chief Executive of the Law Society; the Chief Executive of the Judicial Appointments Commission and the Chief Executive of the Legal Services Commission.

Lord Kerr, Lord Clarke, Lord Dyson and Lord Wilson were keynote speakers at a conference held in Belfast in May 2012, entitled *The Supreme Court Comes to Belfast*.

The Chief Executive visited Scotland in February 2013 where she had meetings with the Lord President of the Court of Session, Scottish Government officials, the Dean of the Faculty of Advocates, the Lord Advocate, the Chief Executive of the Court Service and the Director of the Judicial Office. She also met separately with the Director of Law Reform of the Law Society of Scotland. The Chief Executive and Registrar have also been involved in discussions with lawyers from the Advocate General's Office about the detailed implementation of the provisions in the Scotland Act 2012 which provides for a statutory right of appeal to the UKSC in Scottish criminal cases where a compatibility issue arises. The revised procedure will come into force on 22 April 2013. We have also placed on our website factual information about the number and type of Scottish cases which come to the UKSC.

Judicial Committee of the Privy Council (JCPC)

With the completion of the full integration of the Registries of the UKSC and JCPC, and full integration of all support services to the JCPC, we have been able to turn our attention to some more strategic issues around the operation of the JCPC and our relationships with the jurisdictions which use the Court, and associated jurisdictions.

A number of countries in the Caribbean which currently use the JCPC have been considering whether they should cease to do so and, instead, use the Caribbean Court of Justice. During the course of this year, for example, statements were made by the Prime Minister of Trinidad & Tobago, and the Prime Minister of Jamaica, to the effect that steps would be taken to achieve this outcome. For Trinidad & Tobago, the Government has been discussing whether it would be appropriate to move to the Caribbean Court of Justice for criminal cases only at this stage, and to continue to use the JCPC for civil cases. We have made clear throughout these discussions that the matter is one for the Governments and Parliaments concerned. So far as feasible, we have kept in touch with the jurisdictions themselves, and with the Foreign & Commonwealth Office, throughout the year to monitor developments. It is obviously important for us to have as much advance notice as possible of any change so that we can plan our resources accordingly.

At the conference of the International Association of Courts Administrators in The Hague, referred to in Section Five, the Chief Executive and Director of Corporate Services were able to have helpful discussions with the Court Executive Administrator of the Caribbean Court of Justice and some

members of her staff, and with the Deputy Chief Registrar of the Eastern Caribbean Supreme Court. These exchanges were particularly helpful in identifying common challenges and, so far as the ECSC was concerned, in assessing whether there were any improvements we needed to make to our own procedures to assist our users.

In July 2012 Lady Hale delivered a lecture to the Jersey Family Law Association on the impact of domestic violence on children.

In October 2012 we were very pleased to welcome Sir Dennis Byron, the President of the Caribbean Court of Justice, when he met with the President, Deputy President and Chief Executive. In January 2013 we also welcomed Justice Winston Anderson from the Caribbean Court of Justice and Judge Louise Blenman from the ECSC who had both been attending an event in London run by the Commonwealth Secretariat.

In November, Justices and senior staff participated in a seminar on the role of the JCPC organised by the UCL Judicial Institute. Attendees included Justice Adrian Saunders from the Caribbean Court of Justice, Sir Michael Birt, the Bailiff of Jersey, Richard Collas, the Bailiff of Guernsey and David Doyle QC, First Deemster of the Isle of Man.

The Chief Executive was honoured to receive an invitation to visit the Isle of Man in July to attend the celebrations for the annual Tynwald Day. This invitation recognised the link between the judiciary and courts of the Isle of Man and the JCPC. During the visit the Chief Executive was able to meet with the First Deemster as well as other judges and lawyers, and members of Tynwald.



Top: Members of the Northern Ireland Assembly Justice Committee shown with Lord Hope and Lord Kerr in Court 2 during their visit in March 2013.

Above: The President, Deputy President and Chief Executive visited the National Assembly for Wales in March 2013. Picture shows (left to right) Elisabeth Jones (Director of Legal Services for the Welsh Assembly), Lord Hope, Rosemary Butler AM (the Assembly's Presiding Officer), Lord Neuberger, Jenny Rowe, and David Melding AM (the Assembly's Deputy Presiding Officer).

Policy Developments

In our Business Plan for 2012–13 we highlighted a number of policy areas which we thought might impact on the work of the UKSC and/or the JCPC.

We have kept in touch with Ministry of Justice officials about the reforms of legal aid which were to be introduced on 1 April 2013. In the light of the information then available, we concluded that there was unlikely to be any significant impact on the work of the UKSC in the short to medium term but that this would need to be monitored. In particular we will need to monitor any increase in the number of litigants in person appearing in the lower courts and consider any possible impact on the UKSC. During the year we continued to do some work on costs issues, in relation to both the UKSC and the JCPC.

We also noted the Brighton Declaration on Reform of the European Court of Human Rights but, as yet, have seen no impact on our workload of those proposals.

The Foreign & Commonwealth Office published its White Paper on Future Relations with the UK Overseas Territories and Crown Dependencies in June 2012. The role of the JCPC was highlighted in that White Paper.

During the year we were also involved in discussions with the Ministry of Justice about various provisions of the Crime and Courts Bill, in particular amendments relating to: the role of Court Security Officers at the UKSC; the appointment of the Chief Executive, and the role of the Lord Chancellor in relation to the staffing structure of the Court. As at the end of the financial year, the Bill was still under discussion between the House of Commons and House of Lords, but provisions in relation to all the above had been agreed by both Houses.



section two

the Supreme Court Justices

Appointments during the year

There are twelve Justices of the Supreme Court, including the President and Deputy President. Two of the Justices are from Scotland and one from Northern Ireland. As well as sitting in the UKSC, the Justices sit in the JCPC.

For the first half of the year the Court operated with a full complement of Justices. However, on the appointment of Lord Dyson as Master of the Rolls on 1 October 2012, the Court was reduced to eleven Justices, and remained so for the remainder of the period covered by this Report.

Lord Carnwath, whose appointment had been announced in February 2012 as a replacement for Lord Brown, was sworn-in as a Justice of the Supreme Court on 17 April 2012.

In March 2012 a selection commission was established to recommend a successor to Lord Phillips as President of the Supreme Court. Lord Phillips had announced in October 2011 that he would be retiring with effect from 30 September 2012. The selection commission comprised Lord Phillips and Lord Hope as President and Deputy President of the Court respectively; Professor Nichola Rooney representing the Judicial Appointments Commission in Northern Ireland; Sir Muir Russell representing the Judicial Appointments Board in Scotland; and Christopher Stephens representing the Judicial Appointments Commission for England and Wales.

The procedure for appointing the President is governed by the same statutory provisions as that for the appointment of Justices. The legislation does not prescribe the process that a selection commission has to follow, although certain requirements are set out in

section 27 of the Constitutional Reform Act 2005 (the Act), including that selection must be on merit.

The selection commission decided that the vacancy should be advertised and interested and qualified people invited to apply. An Information Pack was drawn up for potential applicants, which was made available on the UKSC website, or by request. The Act requires extensive consultations with senior judges and politicians from the UK's jurisdiction, in addition to whatever process the selection commission decides to follow. In the event the process was completed in time for the announcement to be made on 12 July 2012 that Lord Neuberger of Abbotsbury, then Master of the Rolls, would succeed Lord Phillips with effect from 1 October 2012. Lord Neuberger was subsequently sworn-in on that day, taking his Oaths in front of Lord Hope, the Deputy President, and the other Justices.

In October 2012 the Lord Chancellor, invited Lord Neuberger to establish a selection commission to recommend a successor to Lord Dyson, and to identify successors to Lord Walker, who retired on 17 March 2013, and to Lord Hope, who will retire on 27 June 2013. The membership of that selection commission was Lord Neuberger and Lord Hope as the President and Deputy President of the Court respectively; Professor Nichola Rooney representing the Judicial Appointments Commission in Northern Ireland; Sir Muir Russell representing the Judicial Appointments Board in Scotland; and Christopher Stephens representing the Judicial Appointments Commission for England and Wales. That selection commission followed a similar process to previous selection commissions. The vacancies were advertised

during the week of 15 October 2012 and the process of application, consultation and interview followed. In late February 2013 it was announced that Lord Justice Hughes would replace Lord Dyson, Lord Justice Toulson would replace Lord Walker, and Lord Hodge would replace Lord Hope. Lord Hughes and Lord Toulson (as they will be) will be sworn-in during April; Lord Hodge will be sworn-in in October.

Valedictories for Lord Brown, Lord Phillips, and Lord Walker

Lord Brown's last sitting took place in Mauritius, where he was sitting as a member of the JCPC. Tributes were paid to him there.

To mark Lord Phillips' retirement as a Justice, and as the first President of the Supreme Court, a short valedictory ceremony was held on Wednesday 25 July 2012. Tributes were paid by Lord Hope and by James Eadie QC, Michael Fordham QC and Jonathan Swift QC (see box right).

Similarly, a valedictory ceremony to mark Lord Walker's retirement was held on Thursday 14 March 2013. Tributes were paid by Robert Ham QC, Christopher Nugee QC, Philip Jones QC and Mark Herbert QC from the professions, and by Lord Neuberger.

Extract from Lord Phillips' valedictory remarks given by Lord Hope

"...I treasure that moment in October 2009 when you strode out of our front door into the autumn sunshine, wearing your Supreme Court robe and with your head held high, on your way at the front of our procession to the Abbey to face a barrage of photographers. You instilled in us then, and in everyone else who saw you, a sense of confidence that we were not only here but that we knew what we are about. A very significant new institution had been created.

"You have worked tirelessly since then in building up our public face and our reputation. You have travelled more than any of your predecessors ever did, met and talked to innumerable people at all levels in legal systems here and abroad, given countless interviews on radio, on television and to the press and, of course, presided over all our most difficult and important cases and delivered compelling judgments in many of them.

"There is a narrow and delicate line between too little and too much of that sort of thing. You have held that line brilliantly, and you have given us the best possible start. I know that I speak on behalf of all members of your court when I say how grateful we are for the leadership you have given us and for the wise way in which you have led us here for these past three years. You take with you into your retirement our warmest thanks, and we extend both to you and to Lady Phillips all our good wishes for a long and happy retirement."



Lord Phillips and Lord Hope

Possible changes to the selection process

During the course of this year the government consulted on, and then introduced in the Crime and Courts Bill, changes to the selection process for Justices of the Supreme Court, as well as for some other members of the judiciary. Changes include reducing the number of Justices who can serve on a selection commission to recommend replacement Justices for the Supreme Court, and the removal of the President from a selection commission to choose his/her successor. Other, broader changes in the Bill are designed to improve diversity and to streamline the system for making judicial appointments.

The President, Deputy President, and Chief Executive in her role as Secretary to selection commissions, have been consulted throughout this process with a view to identifying any practical issues which Ministers and their officials should be addressing.

Other appointments

Towards the beginning of 2012, Lord Mance was appointed to the arbitration panel of the European Law Institute, an independent body which aims to improve legal consistency in Europe by providing practical advice to policymakers and authorities. The Institute seeks to harmonise the application of European Union law and develop suggestions for reforms of EU.

The UKSC is a member of the Association of the Councils of State in Supreme Administrative Jurisdictions of the European Union (ACA). Lord Carnwath is the Court's representative on this body and attends occasional events at which administrative justice issues are discussed. (We also provide short summaries of particularly important cases for the ACA website).



section three

-serving the UK and beyond: Jurisdiction and casework

(A) The UKSC

Overview and jurisdiction

The UKSC is the UK's highest court of appeal. It hears appeals on arguable points of law of general public importance, concentrating on cases of the greatest significance. The UKSC is the final court of appeal for all United Kingdom civil cases, and criminal cases from England, Wales and Northern Ireland.

The Court plays an important role in the development of United Kingdom law. The impact of UKSC decisions extends far beyond the parties involved in any given case, helping to shape our society. Its judgments directly affect everyday lives.

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

England and Wales

- The Court of Appeal, Civil Division
- The Court of Appeal, Criminal Division
- (in some limited cases) the High Court

Scotland

- The Court of Session

Northern Ireland

- The Court of Appeal in Northern Ireland
- (in some limited cases) the High Court

The devolution jurisdiction of the JPC transferred to the UKSC on its establishment. The UKSC can be asked to give judgments on questions which relate 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. These administrations were established by the Scotland Act 1998, the Government of Wales Acts 1998 and 2006 and the Northern Ireland Act 1998.

The UKSC can also be asked to scrutinise Bills of the Scottish Parliament (under section 33 of the Scotland Act), Bills of the Northern Ireland Assembly (under section 11 of the Northern Ireland Act) and proposed Orders in Council and proposed Assembly Measures and Bills under sections 99 and 112 of the Government of Wales Act.

Devolution cases can reach the UKSC in four ways:

- A question is referred by a court
- An appeal is made against a judgment by certain courts in England and Wales, Scotland and Northern Ireland
- A devolution issue is referred by certain appellate courts
- A devolution issue is directly referred whether or not the issue is the subject of litigation

The UKSC has to consider and rule on the compatibility of United Kingdom legislation with the law of the European Union and the European Convention on Human Rights. In these and some other respects it represents a constitutional court.

Rules and Practice Directions

The underlying procedure of the Court is in many respects the same as that of the Appellate Committee of the House of Lords, but section 45 of the Constitutional Reform Act 2005 imposes upon the President a specific duty in relation to the rule-making power bestowed upon him under section 45(3).

The Constitutional Reform Act 2005 requires that the Rules are ‘simple and simply expressed’ and that the Court is ‘accessible, fair and efficient’ and many of the rigid and detailed requirements in the House of Lords Practice Directions have been dispensed with. The Court 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’. Rule 9(6) provides that, if any procedural question is not dealt with by the Rules, the Court or the Registrar ‘may adopt any procedure that is consistent with the overriding objective, the Act and these Rules’. These words are very important in underpinning the approach adopted by the Court.

The Rules are kept under review and feedback from users is welcomed – both formally through our User Group, or informally in other ways. The Rules and Practice Directions have generally worked well during the Court’s first two years of operation: minor revisions have been made to the Practice Directions to reflect suggestions made by practitioners and to effect a number of improvements.

The Rules, Practice Directions and forms for the UKSC can be accessed on the Court’s website.

www.supremecourt.gov.uk

The procedure for appealing: permission to appeal (PTA) applications

In nearly all cases (except for Scotland) an appellant requires permission to appeal before he or she can bring a case to the UKSC. The court appealed from may grant permission, but where that court refuses permission, the appellant can then apply to the UKSC which has to rule on whether the permission should be granted. Such applications are generally decided on paper by a panel of three Justices, without an oral hearing. There has been one oral permission hearings during the year.

Once the required papers have been filed, an application for permission will normally be determined within eight sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less (see Table 2).

Applications Received	259
Applications Granted	86
Applications Refused	149
Applications with other result	2

Appeals

Once permission to appeal has been granted, a hearing date is fixed using the time estimate provided by the parties, and the views of the panel considering the application. Hearings last for an average of two days.

Between 1 April 2012 and 31 March 2013:

- 83 appeals were heard, and
- 77 judgments were given.

Sitting Days

Over the year, the UKSC sat for 118 days out of a maximum of 144 possible sitting days (the Court does not sit on Fridays, which are reserved for case preparation and judgment writing, and some other days are unavailable for hearings due to judicial engagements affecting a number of Justices).

The Court's target remains for all appeals to be heard 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 Counsel if their Counsel of choice is not available within the target period involves the parties in considerable extra expense.

The UKSC can and has arranged hearings within weeks of the grant of permission in a number of urgent cases (for example, family cases). The Court deliberately allows some gaps in its listing to enable such cases to be heard. The following table indicates urgent cases determined by the UKSC during the year, and the timescales within which they were handled.

TABLE 2 – Urgent appeal cases

Name	Permission to Appeal Application Filed	Hearing (permission to Appeal & Appeal)	Judgment
ANS v ML (Scotland)	18 April 2012	21–22 May 2012	11 July 2012
Secretary of State for Foreign and Commonwealth Affairs v Yunus Rahmatullah	25 May 2012	2–3 July 2012	31 October 2012
VTB Capital plc v Nutritek International Corp	29 July 2012	12–14 November 2012	6 February 2013
Reference in Local Government Byelaws (Wales) Bill 2012	30 July 2012	9–11 October 2012	21 November 2012
In the matter of A (a child)	16 August 2012	29 November 2012	12 December 2012
In the matter of L and B (Children)	4 December 2012	21 January 2013	20 February 2013
Smith and Others v The Ministry of Defence	3 December 2012	18–21 February 2013	
In the matter of B (a child)	16 January 2013	25 February 2013	
Petrodel Resources Limited and others v Prest	9 January 2013	5–6 March 2013	

section three

serving the UK and beyond: Jurisdiction and casework

TABLE 3 – Total UKSC statistics, including all jurisdictions: 1 April 2012 – 31 March 2013

	Total
PTA applications received	259
PTA applications referred to Justices	237
PTA applications not yet referred to Justices	24
PTA applications granted	86
PTA applications refused	149
PTA applications other result	2
PTA fee remissions	9
PTA fee deferred	5
Appeals filed as of right	27
Number of Appeals heard	83
Number of Appeals allowed	31
Number of Appeals dismissed	43
Number of Appeals other result	2
Number of Appeals referred to ECJ	2
Number of sitting days	118
Number of possible sitting days	144
Number of Judgments given	77

TABLE 4 – PTAs from Scotland and Northern Ireland: 1 April 2012 – 31 March 2013

	Total
Permission to Appeal applications received	
Scotland	6
Northern Ireland	16
Permission to Appeal applications granted (not all filed during period)	
Scotland	0
Northern Ireland	5
Permission to Appeal applications refused (not all filed during period)	
Scotland	7
Northern Ireland	14
Appeals/references lodged as of right	
Scotland	17
Northern Ireland	n/a

TABLE 5 – UKSC Applications for permission to appeal disposed of, by subject area 1 April 2012 – 31 March 2013

	Number Granted	Number Refused	Number Other	Total
Arbitration		1		1
Banking		1		1
Bankruptcy		1		1
Company		2		2
Competition	3	4		7
Conflict of laws	1	2		3
Contract law	2	14		16
Costs		3		3
Crime	6	1		7
Devolution	1	6		7
Discrimination	3	1		4
Education		1		1
Employment	5	7		12
EU law	1	2		3
Evidence		1		1
Extradition	3	4	1	8
Family	8	9		17
Food Safety	1			1
Health and Safety		1		1
Housing		4		4
Human Rights	2	1		3
Immigration	16	18		34
Insolvency		3		3
Insurance	3		1	4
Judicial Review	6	6		12
Land	1	3		4
Landlord and Tenant		4		4
Limitation	1			1
Mental Health	2			2
Mortgage	3			3
Negligence		6		6
Northern Ireland		1		1
Nuisance		2		2
Patent	1	3		4
Personal Injury	2	1		3
Planning	1	7		8
Procedure	7	18		25
Taxation	3	3		6
Terrorism	1			1
Tort		1		1
Trade Mark	1	4		5
Trusts	1	1		2
Will	1	2		3
Total	86	149	2	237

section three

serving the UK and beyond: Jurisdiction and casework

TABLE 6 – UKSC appeals, disposed of by judgment, by subject matter 1 April 2012 – 31 March 2013

	Total number of judgments		Total number of judgments
Admiralty	0	Insurance	1
Arbitration	0	International Law	4
Children	5	Judicial Review	3
Commons	0	Land	1
Company	0	Landlord and Tenant	4
Competition	1	Legal Aid	0
Conflict of laws	2	Limitation	0
Consumer Credit	0	Mortgage	0
Contempt of court	1	Negligence	1
Contract law	1	Northern Ireland	0
Copyright	0	Nuisance	0
Costs	0	Occupier's Liability	0
Crime	5	Partnership	0
Defamation	0	Patent	1
Detention	0	Pensions	0
Devolution	3	Planning	2
Discrimination	4	Procedure	4
Employment	5	Probate	0
EU law	0	Sale of Goods	0
Evidence	1	Scotland	0
Extradition	11	Shipping	1
Family	2	Social security	0
Financial Services	1	Solicitor	0
Freedom of Information	0	Statutory Interpretation	2
Health and Safety	0	Taxation	2
Highways	0	Tort	0
Housing	1	Trade Mark	1
Human Rights	0	Tribunal	0
Immigration	6	Trusts	0
Insolvency	1	Will	0
		Total	77

References to the Court of Justice of the European Union

Like other final courts, the UKSC is, in the areas of European law in which the United Kingdom has accepted the jurisdiction of the Court of Justice of the European Union (CJEU), under the duty imposed by Article 267 of the Treaty on the Functioning of the European Union to ask the CJEU to give preliminary rulings concerning:

- a the interpretation of the Treaties; and
- b the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union;

where such a question is raised in proceedings before it and it considers that a decision on the question is necessary to enable it to give judgment.

Where an application for permission to appeal raises such a question, the UKSC does not, when considering whether in the light of that question to grant permission or to make a reference to the CJEU, apply a test of whether the question is of general public importance.

When the UKSC refuses permission to appeal in a case where the application includes a contention that such a question is involved, the UKSC gives additional reasons for its decision not to grant permission to appeal. These reflect the reasoning of the CJEU in *CILFIT v. Ministry of Health* (Case C-283/81). The CJEU there made clear that no reference need be made to it in relation to any such question of interpretation or validity as referred to Article 267:

- a where the question raised is irrelevant;
- b where the European Union law provision in question has already been interpreted by the CJEU;
- c where the question raised is materially identical with a question which has already been the subject of a preliminary ruling in a similar case; or
- d where the correct application of European Union law is so obvious as to leave no scope for any reasonable doubt as to the manner in which the question of interpretation or validity is to be resolved.

The Court may order a reference to the CJEU before determining whether to grant permission to appeal. In such circumstances proceedings on the application for permission to appeal are stayed until the answer is received.

Between 1 April 2012 and 31 March 2013, the UKSC has made references in the following two cases:

- Test Claimants in the Franked Investment Income Group Litigation (Appellants) v Commissioners of Inland Revenue and another (Respondents)
- *Jessy Saint Prix* (Appellant) v Secretary of State for Work and Pensions (Respondent)

Over the same year, the UKSC has, when refusing permission to appeal, refused to make references in fourteen cases. The Court has also declined to make references in three cases following an oral hearing of the appeal.

Size of panels hearing cases

The Supreme Court 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, and a notable feature of the UKSC's short history so far is the increasing propensity of panels to recommend larger panel constitutions.

Trinity term

(6 June to 28 July 2012):

Seven Justices sat on the following appeals:

- RT (Zimbabwe) and others v Secretary of State for the Home Department, and
- KM (Zimbabwe) v Secretary of State for the Home Department
(*Heard 18–19*)
- Secretary of State for Foreign and Commonwealth Affairs and another v Yunus Rahmatullah, and Secretary of State for Foreign and Commonwealth Affairs and another v Yunus Rahmatullah
(*Heard 2–3 July*)
- Day and another v Hosebay Limited, and Howard de Walden Estates Limited v Lexgorge Limited
(*Heard 16–18 July*)

Michaelmas term

(3 October to 21 December 2012):

Seven Justices sat on the following cases:

- R (on the application of Prudential plc and another) v Special Commissioner of Income Tax and another
(*Heard 5–7 October*)
- In the Matter of J (Children)
(*Heard 17–18 December*)

Hilary term

(9 January to 4 April 2013):

Seven Justices sat on the following cases:

- Smith and others v The Ministry of Defence; Ellis and another v Ministry of Defence, and Allbutt and others v The Ministry of Defence
(*Heard 18–21 February*)
- Petrodel Resources Limited and others (Respondent) v Prest
(*Heard 5–6 February*)
- Futter and another v The Commissioners for Her Majesty's Revenue and Customs, and Pitt and another v The Commissioners for Her Majesty's Revenue and Customs
(*Heard 12–14 February*)

Nine Justices sat on the following cases:

- Bank Mellat v Her Majesty's Treasury
(*Heard 19–21 March*)

Cases and judgments

While every appeal heard by the UKSC is of legal importance, many also attract considerable public interest owing to their impact on wider society. Some of the particularly high profile cases determined by the Court this year include:

Seldon v Clarkson Wright and Jakes (A Partnership) [2012] UKSC 16, Homer v Chief Constable of West Yorkshire Police [2012] UKSC 15

The Supreme Court heard its first age discrimination appeals, considering the scope for justifying direct and indirect discrimination on the ground of age. Seldon involved a mandatory retirement age contained within a partnership agreement, and Homer a new pay structure which required a law degree to reach the top grade as a legal adviser for the Police National Legal Database. There would not be time

for Mr Homer, who was 62, to benefit from acquiring a law degree before his retirement. In *Seldon* it was held that a mandatory retirement age could be justified by the general aims of inter-generational fairness and preserving the dignity of older workers. However all businesses needed to give careful consideration to what retirement rules could be justified in their particular business. Mr Homer was found by the Supreme Court to have suffered indirect age discrimination and his case remitted to the lower courts to decide whether it was reasonably necessary to deny the additional benefits attaching to the new pay scheme to people in his position.

Assange v The Swedish Prosecution Authority [2012] UKSC 22

One of the most high profile appeals heard by the Supreme Court in 2012 was brought by Julian Assange, who is the subject of a request for extradition by Sweden for the purposes of an investigation into alleged offences of sexual molestation and rape. Mr Assange challenged the validity of the European Arrest Warrant in his case, which was issued by a Swedish prosecutor. Under the Extradition Act 2003, which gave effect in the United Kingdom to a Framework Decision of the Council of the European Union in 2002, EAWs had to be issued by a 'judicial authority'. The Supreme Court held by a majority that the words 'judicial authority' in the Framework Decision included prosecutors as well as courts, taking into account the previous and subsequent practice of a large number of member states designating public prosecutors as the competent judicial authority authorised to issue EAWs, and that the same term in the Extradition Act should be given the same meaning. Thus the EAW was validly issued and Mr Assange's appeal was dismissed.

Al Rawi and others v The Security Service and others [2011] UKSC 34

The Supreme Court was asked to decide whether a 'closed material procedure' could be ordered in the trial of a civil claim for damages. Such a procedure would permit the Security Service to rely on evidence alleged to be security sensitive, without such evidence being disclosed to the claimants. Instead the claimants' interests would be represented by Special Advocates, who could not take instructions from them, as was familiar from the statutory scheme for hearings by the Special Immigration Appeals Commission. The question arose in the context of claims brought by a number of those suffering detention, rendition and mistreatment by foreign authorities with the alleged complicity of the British security services.

By a majority, the court held that there was no power at common law to introduce such a procedure: only Parliament could make such a change. It involved a departure from the principles of open and natural justice, which were essential features of a fair trial. It could not properly be regarded as a development of public interest immunity, by which a court can rule that certain material can be excluded from the hearing altogether where the public interest requires this.

Secretary of State for Foreign and Commonwealth Affairs and another v Yunus Rahmatullah [2012] UKSC 48

These important appeals arose from the Mr Rahmatullah is a Pakistani citizen who was captured by UK forces in Iraq in 2004. He was handed to the US forces who, without informing the UK authorities as they had agreed to do, removed Mr Rahmatullah to Bagram Air Base in Afghanistan, where he is still held. An application for a writ of habeas corpus was





Lord Neuberger is sworn in as President of the Supreme Court in front of the other Justices, 1 October 2012. Image: PA.

made on Mr Rahmatullah's behalf requiring the UK to seek his return or at least demonstrate why it could not. The Supreme Court held that there was clear prima facie evidence that Mr Rahmatullah was being detained unlawfully under the Geneva Convention and that it was not an intrusion into the area of foreign policy to require the UK government to show whether it could obtain control over his custody. However, a letter from the US authorities refusing to release Mr Rahmatullah, sent after the Court of Appeal had reached a similar conclusion, was held by the majority of the court to constitute a sufficient response to the writ.

Local Government Byelaws (Wales) BILL 2012 – Reference by the Attorney General for England and Wales [2012] UKSC 53

In October 2012, the Supreme Court heard the first reference by the Attorney General under the Government of Wales Act 2006. It was asked to determine whether certain provisions of the Local Government Byelaws (Wales) Bill 2012 were within the legislative competence of the National Assembly for Wales. The question was whether these provisions, by removing the role of the Secretary of State in confirming bye-laws made under the Local Government Act 1972, were 'incidental to or consequential on' another provision contained in the Bill. The Supreme Court unanimously declared that the Assembly did have the legislative competence required. This outcome reflected the terms on which the Secretary of State was prepared to give consent to the provisions and was consistent with the general thrust of the extended powers given to the Welsh Ministers by the 2006 Act.

Al-Sirri v Secretary of State for the Home Department, DD v Secretary of State for the Home Department [2012] UKSC 54

The Supreme Court heard appeals concerning a little used provision of the Geneva Convention, Article 1F(c), excluding from protection as refugees persons 'with respect to whom there are serious reasons for considering that..he has been guilty of acts contrary to the purposes and principles of the United Nations'. Mr Al-Sirri is an Egyptian who was acquitted on a charge of involvement in the murder of General Masoud in Afghanistan in 2001; DD is an Afghan citizen who had fought with the Taliban against UN-mandated forces in Afghanistan. Both were refused asylum and one of the issues arising was whether the acts alleged had to constitute a threat to international peace and security. The Supreme Court held that there needed to be a high threshold before Article 1F(c) was satisfied, including serious reasons for considering that the person concerned bore individual responsibility for acts of the required character. Member states were not free to adopt their own definitions of Article 1F(c) or apply domestic definitions of terrorism. Guidelines from the United Nations High Commissioner for Refugees should be applied instead, and did require the acts to have a serious effect upon international peace. Both cases were remitted back to the tribunal for reconsideration in the light of this guidance.

Imperial Tobacco Limited v The Lord Advocate (Scotland) [2012] UKSC 61

This was a devolution appeal challenging the legislative competence of the Scottish Parliament when enacting legislation to ban the display of tobacco products at the point of sale and the sale of tobacco products in vending machines. Matters relating to the sale and supply of goods to consumers and product safety are reserved to the UK Parliament in

the Scotland Act 1998. The court held that the provisions under challenge had nothing to do with consumer protection or safety but were designed to promote public health by discouraging or eliminating the sale of tobacco products. The Supreme Court agreed with the Court of Session and Inner House that the provisions did not therefore relate to the specific reservations in the list of reserved matters in the Act and the challenges were dismissed.

R (on the application of Prudential plc and another) v Special Commissioner of Income Tax and another [2013] UKSC 1

A seven judge court heard an appeal concerning the scope of legal advice privilege, which applies to all communications passing between a client and his lawyer in connection with the provision of legal advice. In this case legal advice on a tax avoidance scheme was given by accountants and the question was whether the privilege extended to communications other than with a member of the legal profession. By a majority of 5 to 2 the Supreme Court held that it did not.

Five of the justices considered that the limits of the privilege were well established and extension to other professions would be likely to lead to uncertainty, expenditure and inconsistency. It raised questions of policy which should be left to Parliament. The two justices in the minority considered that the privilege being sought in this case did not extend its scope. In their view, the privilege should depend on the character of the advice and the circumstances in which it was given rather than on the adviser's status.

Bank Mellat v H M Treasury (Hearing from 19–21 March 2013)

In this appeal the Supreme Court indicated its decision on a preliminary issue of principle after the first day of the hearing, with the reasons for the decision and the judgment on the

substantive appeal to follow at a later date. The issue was whether the Supreme Court has jurisdiction to consider a 'closed judgment' given by the judge in the proceedings below, which has not been disclosed to the appellant on grounds of national security.

Bank Mellat challenged the validity of the Financial Restrictions (Iran) Order 2009, made by the Treasury pursuant to powers under the Counter-Terrorism Act 2008, which prevented all persons operating in the UK from conducting any business transactions with the bank with immediate effect. The order was intended to hinder the financing of nuclear proliferation activities in Iran. Bank Mellat argued that both the order itself, and the lack of opportunity for the bank to make representations before the order was made, breached its right to property under Article 1 of Protocol 1 of the European Convention on Human Rights and the requirements of natural justice guaranteed by Article 6. In the course of the proceedings, the courts below considered evidence presented by the Treasury in closed session, which was not disclosed to the bank and which led to a closed judgment being given in addition to the open judgment dismissing the bank's challenge.

The Supreme Court announced on 19 March that it had decided by a majority of six to three justices that it did have jurisdiction to consider a closed judgment, but that it would only do so if it was persuaded that it was necessary for the purpose of fairly disposing of the appeal. At that stage the court made it clear that it had not so far been convinced that it was necessary. On 21 March it agreed 'with great reluctance' and again by a majority, for the first time in the court's history, to go into closed session during the hearing of the appeal in order to hear submissions on the closed judgment in the absence of representatives of the bank.

(B) The JCPC

Overview and jurisdiction

The JCPC is the Court of final appeal for the UK's Overseas Territories, the 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 Judicial Committee. A list of the relevant Countries is at Annex A. Although the Judicial Committee was instituted by a United Kingdom Act, the substantive law which it applies is the law of the Country or Territory from which the appeal comes. The Judicial Committee 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.

Rules and Practice Directions

The underlying procedure of the JCPC is in many respects the same as that of the UKSC. The Rules are kept under review and feedback from users, whether formally through the User Group or informally in other ways, is welcomed. The Rules, Practice Directions and forms for the JCPC can be accessed on the JCPC website at: www.jcpc.gov.uk

One of the issues to which we gave some priority this year was the structure and amount of fees charged in the JCPC. In so doing we had to bear in mind a number of factors. We were keen to try and introduce a more principled approach to the structure of JCPC fees, and to ensure that those litigants who could afford to, made a more significant contribution to the costs of running the

JCPC. At the same time we were anxious not to do anything which would inhibit access to justice for those of limited means. We therefore consulted on an approach to JCPC fees which introduced four bands of fees related to the financial value of the case. At the same time we abolished all fees in criminal cases and introduced some other changes. All of the jurisdictions which use the JCPC were consulted, and copies of the consultation document were placed on the JCPC website. In addition, the proposals were discussed with our users, most particularly the Privy Council agents. A revised fee structure was subsequently agreed and submitted to Her Majesty The Queen for approval at the February Privy Council meeting. The new fees came into force on 1 April 2013.

The Procedure for Appealing

Unlike in the UKSC where, in most cases, an Appellant requires permission to appeal before he or she can bring an appeal, the Judicial Committee hears a number of appeals 'as of right'. The right of appeal to the JCPC is largely regulated by the Constitution and legislation of the relevant 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 Court appealed from or, on application, by the JCPC itself.

The JCPC receives a number of applications for permission to appeal in criminal cases including 'death row cases'. Permission to appeal is granted in criminal cases for applications where, in the opinion of the

Board, there is a risk that a serious miscarriage of justice may have occurred.

A number of cases are filed long after the order being appealed was made. In *Carlos Hamilton and Jason Lewis (Appellants) v The Queen (Respondent) (Jamaica)* The Court of Appeal of Jamaica [2012] UKPC 31 and [2012] UKPC 37, the Board gave guidance on applications for an extension of time and on out of time appeals (see below).

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 quickly, an application for permission would normally be determined with 12 sitting weeks.

TABLE 5 – PTAs (1 April 2012 – 31 March 2013)

Applications Received	69
Applications Granted	19
Applications Refused	31
Applications with other result	1

Appeals

As in the Supreme Court, the hearing date for an appeal is fixed using the time estimate provided by the parties or by the Panel which granted permission to appeal, and appeals are almost invariably listed to the convenience of the parties involved, particularly if they are having to travel long distances.

Between 1 April 2012 and 31 March 2013:

- 36 appeals were heard, and
- 43 judgments were given.

TABLE 6 – Total JCPC statistics, including all jurisdictions: 1 April 2012 – 31 March 2013

	Total
PTA applications received	69
PTA applications referred to Justices	55
PTA applications not yet referred to Justices	7
PTA applications granted	19
PTA applications refused	31
PTA applications other result	1
PTA fee remissions	2
PTA fee deferred	0
Appeals filed as of right	31
Number of Appeals heard	36
Number of Appeals allowed	18
Number of Appeals dismissed	18
Number of Appeals other result	6
Number of Appeals referred to ECJ	0
Number of sitting days	50
Number of possible sitting days	144
Number of Judgments given	43

References

Under section 4 of the Judicial Committee Act 1833 Her Majesty may refer matters to the Judicial Committee for advice. In *Chief Justice of the Cayman Island (Appellant) v The Governor (Respondent)* [2012] UKPC 39 the Board gave guidance on references under the Act.

Sitting Days

Over the year, the JCPC sat for 50 out of a possible 144 sitting days. The JCPC usually sits as a Board of five although it has in the past sat as a Board of seven (e.g. the references in relation to the Chief Justice of Gibraltar and Madam Justice Levers).

Cases and judgments

A number of JCPC cases attracted particular public interest over the course of the year, including:

Carlos Hamilton and Jason Lewis v The Queen [2012] UKPC 31, [2012] UKPC 37

In this case, the Judicial Committee gave guidance on its approach to applications for permission to appeal in criminal cases from Caribbean jurisdictions and on minimising delay in filing such applications. The appellants had been found guilty of murder in 2001 in Jamaica, and sentenced to 25 years' imprisonment. Their applications were brought over 8 years after the dismissal of their appeals by the Court of Appeal of Jamaica, well outside the 56 days provided for in the relevant rules. They had approached an English solicitor within a few months but did not find solicitors willing to represent them pro bono for seven years, during which time the Crown was unaware of their intention to appeal. On the facts of their case they were granted permission to appeal out of time, although their appeals were subsequently dismissed.

The Judicial Committee emphasised that the 56 day rule was still applicable and the question of whether time should be extended was whether it was in the interests of justice. Regard was given to the exceptional difficulties for prisoners pursuing appeals in the Caribbean,

particularly Jamaica, given the reliance on pro bono representation and problems communicating with the outside world. Weight would always be given to the merits of the appeal and the severity of the sentence. The best way of reducing the opportunity for delay lay in the early exchange of information. Notification should be given to the prosecuting authorities as soon as a prisoner indicated an intention to apply for permission to appeal and those authorities (and their agents) would be expected to assist in the obtaining of the relevant documents.

The descendants of Utanga and Arerangi Tumu v The descendants of Iopu Tumu [2012] UKPC 34

This was the first appeal to the Judicial Committee from the Cook Islands since their people attained internal self-government in 1965. It concerned challenges to the validity of an order made in 1912, altering three earlier orders of the Land Court, which had been set up in 1902 to determine the ownership of the land. It was held that the 1912 order was made without jurisdiction as it had been made by one judge rather than the two required. It had not been properly validated under the Cook Islands Act 1915 because it did not satisfy 'equity and good conscience'. The orders of the Land Court were therefore restored to their original form.

In the matter of a request for advice on the interpretation of section 96(1) of Schedule 2 to the Cayman Islands Constitution Order 2009 Chief Justice of the Cayman Islands v (1) The Governor of the Cayman Islands (2) The Judicial and Legal Services Commission of the Cayman Islands [2012] UKPC 71

The scope of the powers of the Judicial Committee of the Privy Council when a petition is referred to it by Her Majesty for advice pursuant to section 4 of the Judicial Committee Act 1833 was explored in this case brought by the Chief Justice of the Cayman Islands. It was held that it is open in principle for the Committee to advise that it would not be appropriate to provide substantive answers to the issues raised by the petition, if that is the correct advice as a matter of law. That was the position in this case because the issues in the Petition could be raised by way of ordinary proceedings in the Grand Court of the Cayman Islands. The Committee would normally wish to have regard to the views of the local court when determining constitutional issues.



section four

increasing accessibility: communications and external relations

One of the UKSC's objectives is to make its proceedings as accessible as possible, and to foster greater understanding of its work as the UK's highest domestic court of appeal.

Over the course of 2012–13, we have welcomed an increasingly broad range of visitors and organised groups to the Court, and expanded the explanatory material available both in the building and online. This year has also seen the Court work creatively in taking opportunities provided by both social media and external events – such as London's hosting of the Olympic and Paralympic Games – to communicate aspects of our work.

Extending a warm welcome to visitors

The court building is open to the public from 9.30 am to 4.30 pm Monday to Friday, and we actively encourage visitors through external signage and information on our website.

During the year we received more than 70,000 visitors, and in March we welcomed our 250,000th visitor since the Court opened in October 2009. Many of our visitors are keen to observe hearings, and summaries of the facts and issues in each appeal are available from our Reception desk to aid understanding. In addition, visitor guides are available freely in a number of languages.

Guided tours, generally conducted on Fridays, give visitors the opportunity to watch a welcome film from the President of the Supreme Court (which has been re-recorded by Lord Neuberger this year) and a chance to see parts of the building not normally open to the public, such as the Library. These tours have engendered much positive feedback as well as providing a small additional revenue stream for the Court.

The 'Open House London' weekend in September 2012 provided an opportunity to open our doors outside the working week, and was met with a very strong response: almost 2,700 people queued to see the building over the course of the weekend. Feedback was extremely positive and has encouraged us to pilot further occasional weekend opening in 2013. We held four other informal open days over the year and improved the visitor experience on these occasions by extending the range of information about the building's artwork and setting up children's activities.

Educating and inspiring

We welcomed more than 350 educational groups for visits to the court over the year. Groups from schools, colleges and universities come from near and far; from St Andrew's Youth Club around the corner in Pimlico, to the University of Maryland and Texas A&M University from the United States.

We are pleased to report that we have again seen a growth in the number of educational groups from beyond England, a trend we are actively working to build upon next year. During 2012–13 we welcomed parties from the University of Strathclyde, the University of Glasgow, Glasgow Caledonian University, the University of Aberdeen, the University of Bangor Law School (who also held the final round of their mooted competition in one of the courtrooms), Coleg Menai from Bangor, Wallace High School from Lisburn, County Antrim, and Bannockburn High School from Stirling, among others.

It has always been among the UKSC's principal objectives to educate and inspire people about the UK justice systems and the rule of law, and we continue to seek to

identify new areas of work to achieve this. Our partnership with the National Centre for Citizenship and the Law (www.nccl.org.uk) continues, through which we offer a one-day workshop for a Sixth Form group every month. This involves the students preparing legal arguments on a case previously considered by the UKSC, supported by our Judicial Assistants and other volunteer lawyers. The mock appeal is then staged in our main courtroom, judged by a group of their peers. On a number of occasions, Justices have been able to attend to offer their own feedback and take questions from students. These days are very popular with both students and staff, and feedback from the sessions suggests an increase in the students' knowledge and understanding of the role of appellate courts.

We have also continued our support for 'Big Voice London', a student led project involving young people from a range of educational institutions across London, who might not have traditionally considered a career in law. The project gives the students the opportunity to engage in issues of legal and political advocacy, with both participants and group leaders giving up their own time to be involved. Lord Reed judged a special moot at the UKSC for the participants in April 2012. The 2012 cohort went on to produce three independent papers based on their research and experiences over the year, and Lord Kerr addressed the students at the launch of these at the House of Commons in December 2012. The Chief Executive welcomed a new cohort to the project at a launch event held at the Court at the beginning of 2013. The project will run until the summer holidays when the project co-ordinator, Jennifer Blair, moves on to new commitments, and accordingly the project is likely to take on a different format for future years.

We have additionally created a range of learning resources, available freely from the Court's website, with a set of lesson plans designed for AS/Higher level or equivalent and a background paper aimed at undergraduates. We plan to extend these materials over 2013–14.

Explaining our role

The Court has a dedicated exhibition area which provides opportunities for visitors to find out in an engaging way about the UK's legal systems, the role of the UKSC and that of the JCPC. During the year we updated the two interactive displays in our permanent exhibition space to include more recent appeals which the Court has determined, and displayed one of the Justice's Letters Patent granted by HM The Queen.

We also curated two temporary exhibitions. The first was organised in partnership with De Montfort University and the British Association for Sport and Law to coincide with London's hosting of the Olympic and Paralympic Games, and sought to explore the relationship between sport and the law. *Playing by the Rules* was officially opened on 25 July by IOC member Denis Oswald and Lord Phillips. A series of evening lectures were arranged alongside the exhibition, given by Michael Beloff QC; Dame Mary Peters; and a panel discussion on the Games' legacy for nations and regions with senior representation from sports bodies across the UK. More than 15,000 people visited the exhibition over the summer months, and completed feedback forms suggested that 90% of respondents rated the exhibition as either very good or excellent.

The second temporary exhibition looked at the historic role of the Court of Claims, which has traditionally met ahead of Coronations



Top: IOC member Mr Denis Oswald (left) and Lord Phillips officially open the Court's summer exhibition on Sport and the Law.

Top right: Joshua Rozenberg (left) interviews Lord Neuberger for BBC Radio 4's 'Law in Action' programme, March 2013.

Right: A student from Brunel University Law School makes her case during one of the many moot finals hosted by the Court in 2012-13. Image by Sally Trussler.

Below right: Students from Joseph Leckie Academy in Walsall meet the Chief Executive during their tour of the Court, which marked the 250,000th visitor to the building since October 2009.



(since at least 1377) to settle disputes about who should perform certain honorific services for the new Monarch. The small exhibition included a number of original documents used by the Court of Claims in 1952 to prepare for the Coronation of Her Majesty Queen Elizabeth II. The Registrar of the JCPC traditionally serves as one of the registrars of the court, and in modern times the court has used the JCPC courtroom (previously located in Downing Street).

We have also taken opportunities to provide the UKSC's facilities for special events, offering members of the public who might not usually have thought of visiting the Court the chance to do so. These included hosting a panel discussion in November on diversity in law for Inspirational You, a not-for-profit organisation seeking to inspire professional and personal development among young people. In February, we were also pleased to host an evening ceremony for Londoners who were receiving awards for helping to secure the successful conviction of those responsible for criminal activity. This ceremony, chaired by the High Sheriff of Greater London, is a chance for society to recognise individuals who have in many cases shown great bravery in assisting the police in apprehending criminals.

The Court has continued to support a research project on judicial independence and accountability being undertaken by academics from the Constitution Unit at University College London, the School of Law at Queen Mary, University of London and the University of Birmingham. The project's fifth practitioner seminar, on *Judicial Independence and the Supreme Court*, was held here in October attracting academics from across the country, and Lord Hope and the Chief Executive were on the discussion panel.

The School of Law at Queen Mary, University of London, also held a one-day conference at the UKSC in October assessing the impact of the Court over its first three years, particularly on the development of various areas of English law. Lord Hope gave the keynote address.

Working with the media

The UKSC and JCPC operate a dedicated press office, including an out-of-hours service, to assist the media and to help communicate our work to a wide range of audiences. We continue to build positive working relationships with legal affairs correspondents, as well as specialists in other fields when relevant appeals arise. We have also developed a small online image library for journalists and bloggers to use freely.

Highlights of coverage over the year included interviews with Lord Phillips in *The Times* and on BBC Radio 4 News to mark his retirement as the Court's first President; and high profile interviews with Lord Neuberger in March 2013 in which he discussed the potential impact of changes to legal aid provision and the importance of the legislature, executive and judiciary working in a relationship of mutual respect.

Cases which generated particular attention over the year included a reference over the competency of the Welsh Assembly to pass the Local Government Byelaws (Wales) Bill 2012, with the judgment in November 2012 covered by the BBC, ITN and the Guardian; *Birmingham City Council v Abdulla* (on equal pay claims for manual local authority staff), with the BBC, Sky and ITN all covering the story in their main bulletins during the day plus reports and commentary in most national newspapers; and *Walton v The Scottish Ministers*, an appeal following a judicial review of the Aberdeen

bypass scheme, which generated considerable print coverage in Scotland at each stage of the proceedings. The greatest volume of national and international coverage was saved for *Assange v The Swedish Prosecution Authority*, on the validity of a European Arrest Warrant, with a number of preview pieces and large number of reports following the judgment and the application to re-open the appeal on further grounds. Approximately 80 journalists attended the hearing at the end of May 2012, either in court or in a media annexe set up for the proceedings.

We have continued to issue press summaries for every UKSC judgment (and JCPC judgments of particular significance), a list of highlights of each term's forthcoming hearings and a list of determinations of permission to appeal applications which are likely to be of wider public interest.

A user-focused online presence

The number of visitors to the UKSC and JCPC websites has grown considerably over the year (total unique users up 19% against 2011–12), reflecting the general increase in the Court's profile, as well as a number of specific initiatives which have driven traffic to the sites.

The Court's official Twitter profile continues to receive positive feedback, providing legal professionals, students and others with real-time alerts on judgments and other Court news. We also use the profile to handle queries about the Court's operations and to engage with educational groups. The profile had 37,000 followers as at 31 March 2013 (five times the number who had subscribed a year ago).

Live video streaming from a selected courtroom via the Sky News website has continued over the year, and is now a well-known element of our communications activity. Approximately 25,000 unique viewers tune in during an average month. Viewers can find out more about the appeal being streamed via a link at the foot of the video window which opens the relevant 'case details' page on the UKSC website. We have also live-streamed a small number of JCPC judgments of particular significance, scheduled at a convenient time for the home jurisdiction's audience.

A new development launched in February 2013 is the UKSC's YouTube channel, to which we upload footage of the lead Justice's judgment summary in each appeal. These five minute summaries aim to explain briefly the background to the appeal, the decision the court has reached, and the reasons for that decision. The YouTube channel has proved popular, with close to 25,000 video views as at 31 March 2013 and positive feedback – particularly from law lecturers and legal training providers who find the concise summaries a helpful educational tool.

We have also continued to make our websites as user-friendly and accessible for visitors as possible, uploading HTML versions of our Practice Directions to enable easier navigation and searching of these key documents; reviewing navigation from the homepages to our most popular information pages to ensure clear signposting; and the introduction of RSS feeds on a number of sections of the UKSC website to enable users to subscribe for automatic updates to their desktop or other RSS-reading device.

Listening to our users

The joint User Group, covering both the UKSC and JCPC, has continued to meet twice a year, usually in January and then in June/ July. User Group meetings are chaired by Lady Hale and attended by the Chief Executive and the Registrar. Other Justices/officials attend when particular issues are being discussed.

A variety of users are involved, including barristers' clerks, solicitors, and members of the Bars from around the United Kingdom. Agendas and papers are circulated to a wide range of users with meetings typically attended by between 20 and 30 people. Once minutes of the meetings have been approved they are placed on our website.

Over the past year we have also held one special meeting for JCPC users to consider specifically JCPC issues, including a consultation on changes to JCPC fees. This was followed by a dinner (costs met by those attending) which was much enjoyed by all.

Over the past year we have discussed a range of issues at the User Group, some raised by Justices/staff, and some by users. The User Group has been particularly helpful in commenting on revisions, and suggesting own changes to, Practice Directions. We have also held a specific meeting to discuss the issue of wider access to core volumes, particularly in relation to legal libraries. Other issues include IT, costs and equality and diversity.

A number of members of the User Group, and their colleagues, continue to assist us with the educational work we do with the NCCL. We are extremely grateful to them for both their commitment and their enthusiasm





Maintaining links with Middlesex

The Middlesex connection is evident throughout the building which houses the UKSC and JCPC. The Middlesex Coat of Arms – the three sea axes – can be seen on light fittings and stone carvings; the Middlesex Regiment Memorial is located to the left of the Entrance Hall and Middlesex memorabilia can be found in the exhibition area on the lower ground floor. It is one of our objectives to maintain the historical links with Middlesex, and this is something in which both Justices and staff participate.

In May, a plaque paying tribute to former Justices of the Peace from the county of Middlesex was unveiled by Lord Phillips in the exhibition area. The plaque was specially designed to mark more than one hundred years of work undertaken by the JPs, some of whom served on the Magistrates Courts Committee and on the Lord Chancellor's Advisory Committee for the Middlesex Area. The plaque was a gift from Richard Walduck, a retired Magistrate, funded by a legacy left by Samuel Kershen, another former Magistrate and Deputy Lieutenant of the County.

The building houses the greater part of the Middlesex Guildhall Art Collection. This is managed by a set of Trustees who are entirely separate from the Court, but, at our invitation, the Trustees hold their quarterly meetings in the building. In the last Annual Report we indicated that we were working with the Trustees and staff from the Public

Catalogue Foundation to facilitate the inclusion of information on the Collection in the BBC's 'Your Paintings' website. That catalogue was published online in February 2013 and can be accessed via www.bbc.co.uk/arts/yourpaintings/.

We maintain close links with the successors to the Middlesex Regiment. On 10 November 2012 the Middlesex Regimental Association held their annual Service of Remembrance in the building. Wreaths were laid by Colonel Rex Cain, the President of the Middlesex Regimental Association and Lord Kerr one of the Justices of the Supreme Court. The Chief Executive read one of the lessons. The Regimental Association presented to the Court for safekeeping a plaque commemorating the Regiment's service in the Korean War, and which had been presented to members of the Regiment by the Mayor of Kapyong. After the ceremony refreshments were provided for those attending, who were also given an opportunity to tour the building.

2013 marks the centenary of the opening of the Middlesex Guildhall, in which the UKSC/JCPC are now housed. During the latter part of the period covered by this Annual Report we have started working with a range of Middlesex and other organisations on an exhibition to mark the building's centenary.



section five

sharing good practice: international relations

The Court's Business Plan for 2012–13 once again highlighted the interest internationally in the organisation since the Court became an established feature on the constitutional and judicial landscape.

We have continued to develop and maintain appropriate relationships with courts in Europe, the Commonwealth and other countries as a way of expanding and intensifying our collective knowledge of common law jurisprudence.

Not only have a large number of tourists visited the building but we also welcomed a range of judges, lawyers and other visitors from a wide range of countries, including the following:

Judicial visitors

DELEGATIONS

- 13 Norwegian Court of Appeal Judges
- Members of The International Association of Women Judges in London for their conference
- 36 Judges from Thailand
- Six Lawyers from the Chinese Law Society
- A delegation of Judges from Italy and Nigeria
- Nine Taiwanese Judges
- 20 Argentinian Judges
- Three South Korean Judges
- Two Singapore Justices
- 10 Japanese Justices
- 26 Spanish Judges
- 18 Chinese from the Henan Provincial People's Procuratorate
- A Delegation of Indonesian Supreme Court Justices
- A Delegation from Oman
Lyonpo Sonam Tobgye, Chief Justice of Bhutan; Supreme Court Justice Dasho Tshering Wangchuk; Judge Pema Wangchuk, Director of the Bhutan National Legal Institute; accompanied by Michael Rutland OBE and HHJ Donald Cryan

INDIVIDUALS

- Judge Winston Anderson of the Caribbean Court of Justice
- Justice Robert P Armstrong (Canada)
- Judge Louise Blenman, Justice of Appeal, Eastern Caribbean Supreme Court
- Madam Justice Carol Brown (Canada)
- Sir Dennis Byron, President of the Caribbean Court of Justice (Trinidad & Tobago)
- Judge Stephen Charles (Australia)
- Judge Ahn Dae-Hee (South Korea)
- Justice Martin Daubney of the Supreme Court of Queensland

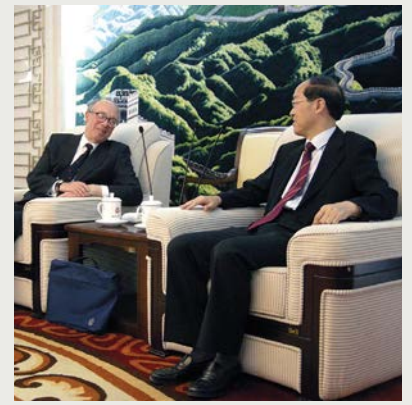
- Judge Freitas from the Brazilian Court of Appeal and two other Brazilian Court of Appeal Judges
- Chief Justice Robert French of Australia
- Justice Susan Glazebrook (New Zealand)
- Justice Dyson Heydon of the High Court, Australia
- Judge Fabian Hoffmann of the Federal Court of Justice, Germany, as part of the exchange scheme run by the Network of Presidents of Supreme Courts of the EU
- Chief Justice Anton Ivanov of the Commercial Court of Russia
- Paul de Jersey, Chief Justice of Queensland
- Judge Stefan Liebler of the Federal Administrative Court, Germany, as part of the Association of the Councils of State and Supreme Administrative Jurisdictions of the EU's Judicial Exchange Programme 2012
- Retired Judge Marcello Marinari (Italy)
- Sundraresh Menon, Chief Justice of Singapore
- Hon Justice Mark O'Regan, President of the Court of Appeal of New Zealand
- Judge Diarmuid O'Scannlain, Chairman of the International Judicial Relations Committee of the Judicial Conference of the United States
- Justice Sebastião Póvoas of the Supreme Court of Portugal, as part of the exchange scheme run by the Network of Presidents of Supreme Courts of the EU
- Judge Elyakim Rubenstein (Israel)
- Retired Supreme Court Judge Edward Rappaport of New York State
- Chief Justice Professor Sam Rugege (Rwanda)
- Judge Andrew Stockley (New Zealand)
- Justice Ituro Terada (Japan)
- Judge Zenichiro Uemura (Japan)
- Justice Helen Winkelman (New Zealand)
- Arifin bin Zakaria, Chief Justice of Malaysia

Lawyers and Academics

- Dr Francisco Diaz-Verón, Attorney General of the Republic of Paraguay
- Christopher Finlayson, Attorney-General of New Zealand
- Ms Geraldine Manners, Registrar Supreme Court of Ireland
- Christopher Malcolm, Attorney General for the British Virgin Islands
- Mr Visu Sinnadurai (Malaysia)
- Six Registrars from Singapore
- Delegates from the World Bar Conference held in London in June 2012
- The Temple Bar Law Association
- 25 Members of the Texan Bench and Bar

Diplomats, Ministers and other officials

- HE Dr Mohammed Bin Abdulkareem Al-Issa (Minister for Justice, Saudi Arabia) and entourage
- HE Shaikh Khalid bin Ali Al Khalifa (Minister of Justice Bahrain)
- Mr Andrew Bridgeman (New Zealand Secretary of Justice)
- HE Mr Paul Brummell (High Commissioner of Barbados)
- HE Ambassador Konstantin Dimitrov (Bulgarian Embassy) and the Bulgarian Minister of Justice, Diana Kovatcheva, The Minister's Chef de Cabinet and five members of the Supreme Judicial Council
- Deputy Secretary of Judicial Appointments Commission (Malaysia), Mr. Wan Khairilanwar Wan Muhammad
- HE Ambassador Romero (Embassy of El Salvador)
- HE Mr Arthur Snell (High Commissioner of Trinidad)
- Delegation from the Bangladesh Ministry of Justice and Home
- Palestinian Justice Minister HE. Mr. Ali



Top: Members of the UK and German delegations during an official visit to the German Constitutional Court in May 2012.

Above: The Chief Justice of Bhutan was among a Bhutanese delegation which visited the Supreme Court in February, shown here meeting Lord Neuberger, Lady Hale and Lord Clarke.

Above right: Lord Hope in discussion with the Vice President of the Supreme People's Court of China, Wan E'xiang, during the former's visit to Beijing in September 2012.

Right: Members of the UK and Indian delegations during the Indo-British Legal Forum, June 2012.



Muhanna and Deputy Palestinian Justice Minister HE Mr Mousa Hasan (Abu Zaid) along with six colleagues.

- Ms Natalia Gambaro, Member of the Argentinean Parliament
- Andrew Phelan, Registrar of the High Court of Australia
- HE Hussain Ali Zaher Al Hliali (Attorney General for Oman), Mr Nasser Abdulla Masoud Al Riyami, Mrs Kothar Taghlib Hilal Al Barwani & Ms Analona Bantin

Sharing good practice: Justices' international links

Lord Neuberger has continued the practice of authorising two Justices to sit as non-permanent Judges on the Court of Final Appeal in Hong Kong for up to a month each. Lord Walker sat in this capacity in November/December 2012 and Lord Clarke in January 2013. The costs of these sittings are met by the Hong Kong authorities.

German Constitutional Court

An official visit took place in May 2012 from the UKSC and the Judiciary of England and Wales to the German Constitutional Court (the Bundesverfassungsgericht), which sits in Karlsruhe, Germany.

The UKSC delegation was led by Lord Hope, as Deputy President with Lord Mance and Lord Reed in support of him. The English and Welsh judiciary was represented by Lord Neuberger as Master of the Rolls (his appointment as President of the Supreme

Court had not then taken place) and Lady Justice Arden representing in particular the Lord Chief Justice of England and Wales.

The purpose of the visit was to compare the different roles and work of the two courts, and over the three days the delegation had a number of working sessions which enabled the UK delegation to meet all 16 of the Justices on the Bundesverfassungsgericht.

India

The Chief Justice of India, The Honourable Mr. S.H. Kapadia, and a delegation of other senior Indian judges attended the Indo-British Legal Forum that was co-hosted at the UKSC in June 2012 by Lord Phillips and Lord Judge, the Lord Chief Justice of England and Wales. Accompanying the Chief Justice of India was Mr Justice Altamas Kabir, (Supreme Court of India), Mr Justice DK Jain (Supreme Court of India) and Mr Goolam E Vahanvati, Attorney General of India and Mr HK Juneja (Private Secretary to Chief Justice of India). Other senior judges from England Wales and Scotland also participated in the discussions. The discussions covered areas including judicial independence, environmental and socio-economic issues and freedom of expression.

Visits by individual Justices of the UKSC

Lord Phillips travelled to Sydney in April and spoke at the Anglo Australian Lawyers Breakfast Event; during the same visit he gave the Maurice Byers Lecture for the New South Wales Bar Association. Lord Phillips also gave a lecture at the International Association of Defense Counsel in Chicago in April.

Lord Neuberger attended a meeting of the Network of Presidents of the Supreme Judicial Courts of the European Union, held in Paris in October.

In September **Lord Hope** attended the Commonwealth Magistrates' and Judges' Association Conference in Uganda, as the organisation's Honorary Life Vice-President. He followed this by travelling to the Tsinghua University Law School in China to give a lecture.

In September, whilst in Australia, **Lord Walker** gave a series of lectures. These were for the Judicial Foundation of Victoria, the Judicial Commission of New South Wales and the Anglo Australasian Law Society. He also gave the Trustees of Macpherson Lecture, organised by the University of Queensland and the Queensland Bar Association. Lord Walker also attended the Appellate Judges' Conference in Brisbane.

Lady Hale attended the Fifth World Women Lawyers' Conference organised by the International Bar Association in April; in August, she attended the Yale Law School Global Constitutionalism Seminar in The Hague; and she gave a lecture on *Coping (With a Parent in Prison)* in Brussels in November. Lady Hale also attended a judicial and academic visit to the CJEU in September. As past President of the International Association of Women Judges, Lady Hale also took a leading part in the 11th Biennial Conference of the Association, held in London in May. The UKSC acted as one of the 'host venues' when around 600 Judges from over 40 countries took part in four days of debates and discussion.

Lord Mance took part during the year in five meetings in Brussels and Paris of the panel established under article 255 of the Treaty on the Functioning of the EU (TFEU), to give opinions on the suitability of candidates nominated by Member States for appointment as judges and advocates general of the CJEU. In May 2012, he attended the Qatar Law Forum on the Rule of Law in Doha, Qatar; and in August, as chair of the Executive Committee of the International Law Association, he opened and closed as well as participated in its biennial Conference in Sofia. On 26th October, he addressed first a seminar organised at the Sorbonne and then the 5th Colloquium of the Network of Presidents of the Supreme Judicial Courts of the EU in Paris on the work of the panel established under article 255 TFEU. He also recorded on video a speech on *The Right Balance Between Trial and Mediation: Models, Experiences and Proposals* which was screened at a conference on mediation in Rome. In December 2012 he represented the Supreme

Court at the 60th Anniversary celebrations of the CJEU in Luxembourg. In January 2013, he spoke on the *Principle of Subsidiarity* at a conference organised by the British Institute of International and Comparative Law in Paris, and in March 2013 at the invitation of Judge Aneta Arnaudovska (Director of the Academy of Judges and Public Prosecutors of the Republic of Macedonia) he gave a two-day training seminar on Article 10 of the ECHR and the UK Experiences in Skopje, Macedonia.

In April, **Lord Kerr** attended a conference on the European Court of Human Rights in The Hague organised by the Netherlands School of Human Rights Research, and gave a paper entitled *The need for dialogue between national courts and Strasbourg*. In August he gave a series of lectures in Sydney and New Zealand and addressed various judicial and legal groups including the Anglo-Australian Society. Lord Kerr delivered the keynote address, *The impact of human rights on business*, at the Banking and Financial Services Lawyers Association conference in Queenstown, New Zealand.

Lord Clarke spoke at the Middle Temple Conference in South Africa in September. He also joined Lord Neuberger in attending the annual meeting with the Court of Justice of the EU in Luxembourg; while there he also gave a paper on *The Recast Brussels I Regulation*.

Lord Wilson attended a colloquium organised by the Association of the Councils of State and Supreme Administrative Jurisdictions of the European Union, held in Madrid during June.

In January, **Lord Reed** gave a paper on subsidiarity at a seminar organised by the Conseil d'Etat in Paris.

Lord Carnwath gave the Nigerian Bench and Bar Lecture in Abuja, Nigeria, in June, reflecting on *Judicial Precedent: Taming the Common Law*; he attended a European Commission Seminar and Conference on Access to Justice in Brussels in November; and in December gave a lecture, *After the Constitutional Reform Act 2005: The Birth of the UK Supreme Court*, at the Sorbonne in Paris. Lord Carnwath attended the World Congress on Justice, Governance and Law for Environmental Sustainability, a gathering of senior judges and attorneys general from across the globe which took place in Rio during June alongside the Rio+20 conference of world leaders. The event was hosted by the UN Environment Programme (UNEP) and aimed to improve the effective implementation of environmental commitments, including multilateral environmental agreements. He also attended a conference on the Rule of Law & Environment organised by UNEP in Nairobi in February.

A number of the Justices attended a seminar arranged by Lord Mance and hosted by the UKSC in September, on *Proportionality: a transversal principle?* The conference was organised in conjunction with French judiciary and academics to examine the operation of the key principle of proportionality in different legal systems.

A number of the Justices also took part in the World Bar Conference that took place in London during June.

International Association for Court Administration

The Chief Executive and the Director of Corporate Services attended the Fifth International Conference of the International Association for Court Administration conference that took place in The Hague in June. The theme was *The Challenge of Developing and Maintaining Strong and Just Courts in an era of Uncertainty*. They were able to hear papers on this topic from and meet with a wide range of administrators from comparable Supreme Courts around the world, including the Registrar of the Supreme Court of Canada, the Registrar of the High Court of Australia, the Chair of the International Judicial Relations Committee of the Judicial Conference of the USA, the Registrar of the International Court of Justice as well as representatives of a number of Commonwealth courts, principally in the Caribbean, from which cases come to the Judicial Committee of the Privy Council.

European Judicial Assistant

Jan Jakob Bornheim joined the UKSC as a European Judicial Assistant for three months in January 2013 as a pilot exercise. This was at no cost to the UKSC, but gave the court the benefit of having a JA with direct experience of a continental civil law justice system. This was an elective period which he chose to undertake as the final part of his clerkship programme at the Regional Court of Bonn, which is mandatory for anyone wishing to become a lawyer or judge in Germany.

Costs

As a general rule, all international travel and accommodation costs were paid for by the host country or institution. The total net cost to the UKSC of international travel for Justices over the year was just over £5,000, with the majority of this attributable to the costs of travel to the German Constitutional Court for three Justices and one staff member, and a contribution towards the costs of Lord Carnwath's attendance at the two international conferences on environmental law mentioned above.



section six

supporting the court: corporate services

Like any public organisation, the administration of the UKSC and the JCPC has in place structures and safeguards to ensure proper accountability and clear lines of responsibility. We are keen to develop a culture where these structures facilitate the efficiency and innovation that we need to display in order to deliver our objectives, set out in Section One.

We know that Justices and staff need to be properly supported and resourced, and have the right IT infrastructure, in order to carry out their work, and for staff to meet the challenging goals we have set. We also need the right environment in which to do this. This year we have continued to invest prudently to create an infrastructure which represents value for money and is fit for the highest court in the land.

Our governance

The administration of the UKSC is a non-ministerial Department, established by the Constitutional Reform Act 2005 (CRA). The Court is supported by a Chief Executive, Jenny Rowe. She holds a statutory office created by s48 of the CRA; and she must carry out her functions in accordance with any directions given to her by the President of the Court, to whom she reports, although she may not act inconsistently with the standards of behaviour required of a civil servant, or with her responsibilities as Accounting Officer. The President of the Court may appoint officers and staff of the Court, but under s48(3) of the CRA the President of the Court may delegate to the Chief Executive this function and all other non-judicial functions of the Court; and the present President, Lord Neuberger, has chosen to follow the practice of his predecessor so to delegate them.

The Chief Executive, officers and staff of the Court are all civil servants. They have their pay, terms and conditions determined as such, although the CRA provides that the Chief Executive may determine the number of officers and staff of the Court and the terms on which they are appointed, with the agreement of the Lord Chancellor.

Under the CRA the Lord Chancellor must ensure the Court is provided with such accommodation and other resources as he thinks are appropriate for the Court to carry on its business. The Chief Executive is placed under a parallel statutory duty to ensure that the Court's resources are used to provide an efficient and effective system to support its business. This is why the administration of the Court is as a non-ministerial Department. It is not part of the Ministry of Justice and does not report to the Lord Chancellor.

The Justices regard maintaining tangible independence from both the Legislature and the Executive (in the shape of the Ministry of Justice) as a key constitutional objective. This is particularly important because the Government is in practice a party in slightly more than half the cases in which an application is made or a hearing takes place before the Court. The Chief Executive is therefore also an Accounting Officer in her own right, accountable directly to the House of Commons Public Accounts Committee.

The Chief Executive has two immediate deputies, the Director of Corporate Services (William Arnold) responsible for the institutional and organisational side of the Court; and the Registrar (Louise di Mambro), who is the Court's senior lawyer and responsible for the progress of cases and the Court's business.

Corporate Services cover broadly:

- accommodation & health and safety
- finance
- human resources
- communications, publicity, events and educational outreach; and
- records, IT and library services.

The Registry functions cover:

- the listing and progress of applications for permission to appeal
- the actual hearing of appeals
- the issuing of judgments, and
- the resolution of disputed costs issues.

The Registrar has management responsibility for the Justices' personal support staff – their legally qualified Judicial Assistants and personal secretaries.

Who's who: Membership of Management Board and Committees

To support the Chief Executive both in her statutory responsibilities, and her responsibilities as an Accounting Officer, an internal governance structure has been established which comprises a Management Board, an Audit Committee, and a Health and Safety Committee. More details can be found in the Governance Statement in Section Eight.



Back row (left to right): Paul Brigland, Ben Wilson, Martin Thompson, Olufemi Oguntunde, Chris Maile
Front row (left to right): Philip Robinson, William Arnold, Jenny Rowe, Louise di Mambro, Alex Jablonowski

Membership of Management Board and Committees	Maximum number of meetings possible to attend	Number of meetings attended
Management Board		
Jenny Rowe – Chief Executive	11	11
William Arnold – Director of Corporate Services	11	11
Louise di Mambro – Registrar	11	9
Olufemi Oguntunde – Director of Finance	11	11
Martin Thompson – Building/Health and Safety Manager	11	10
Ben Wilson – Head of Communications	11	11
Chris Maile – Head of Human Resources	11	11
Paul Brigland – Records Manager	11	11
Alex Jablonowski – Non-Executive Director	11	11
Philip Robinson – Non-Executive Director	11	9
Audit Committee		
Philip Robinson – Chairman		
Alex Jablonowski		
Charles Winstanley – Representative from Scotland		
Laurene McAlpine – Representative from Northern Ireland		
Health and Safety Committee		
William Arnold (Chair)		
Martin Thompson – Building Manager		
Toyin Soleye – Deputy Building Manager		
Chris Maile – Head of Human Resources		
Ian Sewell – Trade Union H&S representative		
James Noone – Security Manager		
Clive Brown – Building Engineer		
Georgina Isaac – Head of Judicial Support		
Jackie Lindsay – JCPC Chief Clerk		
Nadia Lopes – Café Supervisor		

Meetings of the Health and Safety Committee are open to staff to attend and raise issues or observe; and minutes of Management Board and Health and Safety Committee meetings are published on our website and staff intranet.

Our People

MANAGING A COMMITTED TEAM

Staff are appointed to the Court in accordance with the Civil Service Commission Recruitment Principles. We continue to receive transactional Human Resources from the HR Shared Service provider used by the Ministry of Justice and Payroll services from Liberata UK. Employees are on UKSC terms and conditions of service. Pension benefits are provided through the Civil Service pension arrangements and are now administered by MyCSP Liverpool.

On 31 March 2013 there were 47 UKSC and JPC employees (46.1 full-time equivalents) on our payroll. These were made up of 39 permanent staff, and 8 fixed term appointments, including 7 Judicial Assistants. Approximately 45 further staff are employed through services provided under contract covering broadcasting, security, building maintenance, catering and cleaning.

We positively monitor and manage sick absence for staff and this year we again had an average absence rate of less than 4 days per member of staff. This figure would have been considerably lower had it not been for one long term absence, but it remains well below the Civil Service annual target of 7.5 days per employee and the private sector average of 6.4 days. Sick absence and turnover are monitored by the Management Board and there have been no concerning trends to note during the year.

Staff turnover has been relatively stable, with only three resignations in the last 12 months. We continue to review the overall staffing structure with a view to allowing

more flexibility of roles across the Court in the future, though inevitably there are limited opportunities for promotion in such a small organisation.

The annual Judicial Assistant (JA) recruitment campaign was launched in January 2013 to recruit lawyers to work on fixed term contracts from September 2013 to July 2014. The JA role is unique in supporting the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. This year, we achieved a reduction in advertising costs with a more targeted approach using various legal websites, including our own, to attract a wide and diverse pool of candidates. Considerable effort was made in targeting a range of membership organisations with information about the opportunities, following a review of barriers that might exist in encouraging greater diversity among this team. Promoting such diversity is one of the Court's stated aims and we continue to seek innovative ways to promote this annual opportunity across the three UK jurisdictions.

CREATING A GREAT PLACE TO WORK

We want the UKSC to be a place where people positively enjoy working and where staff engagement is high. To measure our performance in this area the annual staff survey was conducted again in October 2012. In line with previous years, we received a very good response from staff, with a 92% completion rate. The results gave an overall employee engagement score of 77%. Although responses identified some areas for improvement, overall the majority of staff enjoy working at the UKSC and are very positive about the culture and people with whom they work.

The established 'Results into Action' team has considered the staff survey results for 2012 and looked to address some of the areas where improvements can be made, such as improving communication across different teams with a monthly online newsletter headed People Matters. An action plan has been published and this includes a programme of voluntary 'extra-curricular' lunchtime sessions on Fridays. Progress with the action plan will be measured against the staff survey results in October 2013.

We have invested in the development of staff and continue to encourage each member of staff to have a training plan which covers both individual development and future succession planning for the Court. Development activities in 2012–13 included generic courses such as information assurance and equality and diversity, as well as more specific courses such as advanced communication skills, improving customer service, audio typing, minute taking, advanced employment law, fundamentals of risk management, and also additional training on IT system packages.

As a small independent department we employ professional leads in a number of areas such as the library, finance, human resources, ICT, communications, and health and safety. We also continue to support staff with professional membership in these areas where possible.

Over the course of the year we have further developed and improved our intranet site, providing staff with a portal for accessing regularly used forms and documentation and information about the services available; and we have an effective way of sharing news

about corporate developments and staff events. The intranet is refreshed almost every day to help encourage colleagues to keep up-to-date with relevant news stories and information, and is recognised as a valuable resource which helps build a strong sense of belonging across staff at the Court.

VALUING EQUALITY AND DIVERSITY

We have made progress with our Equality and Diversity strategy 2012–15, a copy of which can be found on our website. 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 the public. We want to tackle behaviours and attitudes that might contribute to, or reinforce the perceived or real threat of inequality and discrimination and deliver services that are accessible and meet the needs of all court users and members of the public.

- Training staff on diversity and equality issues to increase awareness and encourage respect for individual differences.
- Ensuring that our website conforms to all recommended accessibility requirements.
- Maintaining physical accessibility across the building and responding positively to any comments or suggestions for improvements.
- Pro-actively encouraging tours and visits from all sections of society.
- Actively encouraging diversity when considering the annual recruitment campaign for Judicial Assistants while continuing to appoint on the basis of merit.
- Ensuring our shared values reflect that all staff, court users, and visitors should be treated with respect at all times.

Our information and resources, and how we manage them

INFORMATION ASSURANCE, FREEDOM OF INFORMATION AND DATA PROTECTION

The Court holds an array of information, including case papers, financial and administrative records. Information assurance policies and procedures were followed throughout the year so that the information entrusted to the Court, or generated by it, was properly used, managed and protected.

All staff have personal responsibility for making sure they are aware of and understand the Court's information risk-related policies and procedures and handle information accordingly. All new staff complete the Civil Service Learning e-learning package 'Protecting information' shortly after their appointment, with refresher assessments taking place annually. This year refresher assessments were completed in April.

The annual Security Risk Management Overview assessment and accreditation identified no significant weaknesses in the systems we follow for handling our information. There were no recorded breaches concerning protected personal data reported either to the Information Commissioner or recorded centrally in the Court.

A total of thirty two Freedom of Information (FOI) requests were received in addition to the many general enquiries which the Court receives daily about its work, rules and procedures and public access arrangements. All FOI requests were handled within their respective statutory deadlines. The FOI

requests generated three requests for internal review and two complaints to the Information Commissioner. Neither complaint was upheld.

USING INFORMATION TECHNOLOGY TO CREATE A MORE EFFICIENT COURT

Following a far-ranging review of ICT provision and a report outlining the various options available to the Court, the decision was taken to disengage from the current providers and to make alternative arrangements for meeting the Court's ICT needs. It is expected that this will lead to a more efficient and cost effective IT system which will better meet the needs of the Court and over which the organisation has direct control.

Following a pilot in December 2011, a number of enhancements and modifications were made to the Court's electronic document presentation system over the course of this year. Discussions were held with regular Court users to identify forthcoming appeals where this system can be further trialled, with the long term aim of cutting the amount of paper used (and associated storage costs) when hearing appeals.

A LIBRARY FIT FOR OUR PURPOSE

The Library has continued to support the information and research needs of the Justices, Judicial Assistants, and court staff, by providing publications, databases and information on legal topics.

The Library manages an extensive print collection of textbooks, law reports, journals, and legislation. During the year the collection has been kept up-to-date by identifying and adding key works published during the year. The Library has also sought to expand and

INJUSTICE ANYWHERE IS A THREAT TO JUSTICE EVERYWHERE

*These having not the law
have a law unto themselves*

WE ARE CAUGHT IN AN INESCAPABLE NETWORK
TIED IN A SINGLE GARMENT OF DESTINY

WHATEVER AFFECTS ONE DIRECTLY AFFECTS ALL INDIRECTLY

*He who commits
injustice is ever made
more wretched than
the one who suffers it*

section six
supporting the courts: corporate services



deepen certain areas of the collection, in particular, tort law, and Manx and Jersey case law. It has also continued to fill gaps in its serial holdings, either by purchasing volumes or through donations from other law libraries. This year it reviewed its collection of Nominate Reports (pre-1865 law reports), identifying gaps and arranging for the rebinding of damaged volumes.

The use of electronic resources is increasingly important in legal research, therefore the Library has ensured that Justices and Judicial Assistants have access to a number of online databases and the Library team have provided associated training sessions and material.

In order to keep the Justices, Judicial Assistants and other staff informed of recent writings about the Court and its cases, the Library has produced a monthly newsletter listing recent journal articles, books added to the Library, and summaries of judgments of a number of other supreme courts. In addition, it has collated a selective list of journal articles about the Court going back to 2007.

The Library has continued to engage actively with the wider law library community. The Librarian represented the Library at the annual conference in Belfast of the British & Irish Law Librarians Association (BIALL); has been leading a project to map serial holdings in government law libraries on behalf of the Government Law Librarians Forum (GLLF); organised a legal information course for librarians of the Welsh Government; received an EU-sponsored delegation of law librarians from the Justice Academy of Turkey; and has continued to develop and maintain contacts with law libraries in both the UK and overseas. The Assistant Librarian was on the editorial

team of the new edition of Moys classification for legal materials, which was published in November and is used by many law libraries in the UK and in common law countries.

Our building, your building

HEALTH AND SAFETY

Like all employers, the UKSC has a legal duty to ensure the health, safety and welfare of employees. Our commitment goes further than this. In our health and safety policy we commit the Court to set and maintain exemplary standards of health and safety performance.

In addition to our health and safety policy, Justices and staff are given, upon appointment, an introduction to health and safety at the Court. Contractors engaged by the Court, or on behalf of the Court, have to sign up to an induction booklet of safety procedures developed in collaboration with the Facilities Management contractor before commencing any maintenance work or building projects.

The Court witnesses the statutory compliance audits of the Facilities Management contractor and conducts spot-checks that the Facilities Management contractor and his sub-contractors have put in place Risk Assessments and Method Statements for maintenance work and projects.

Every Health and Safety incident, including 'near misses', is recorded and investigated, and any action considered necessary is taken to avoid a recurrence.

The intention throughout is to have a comprehensive health and safety management system which engages Justices, staff and visitors and encourages them to observe sensible and proportionate precautions.

A Health and Safety Committee created by the Management Board and with formal Terms of Reference meets quarterly, with minutes then published on the intranet for the information of staff. The Head of Accommodation, who is the Health and Safety Manager, also reports quarterly to the Management Board on health and safety.

The Committee's membership, in addition to Court staff, also includes representatives from contractors providing security, catering and facilities management services. In addition, the cleaning contractor's contract manager is consulted in the run up to each meeting to identify any potential issues for discussion. In this way, the Committee is able to promote good practice in health and safety at the Court, and to enhance communication between Justices, staff, Trade Unions and management without an artificial divide being drawn between the safety of those directly employed by the Court and contractors.

The Committee monitored health and safety performance against targets set in a Health and Safety Corporate Plan which was adopted in 2011–12 and updated for 2012–13; and has continued with a matrix of mandatory and recommended health and safety training for staff and the security contractor.

BUILDING A SUSTAINABLE COURT

We are committed to achieving improvements in our environmental performance where possible. The Court's energy efficiency rating for its Display Energy Certificate is an F (with A being the most efficient and G the least) rather than a D or an E said to be typical for this type of building. However, the Court is difficult to operate at theoretical peaks of efficiency because, although there are now modern heating and cooling installations, they are within a century old building which is open for long hours and welcomes large numbers of visitors.

The public sector is directly responsible for around 3% of the UK's greenhouse gas emissions, and there is a central Government commitment to a 25% reduction in its emissions by 2014–15 on a 2009–10 baseline. The Court came into existence in October 2009 so we compare our current energy consumption against a benchmark of the data for 2010–11. Over the reporting year, there was a 17% decrease in consumption of electricity compared with 2012–11; and there was a decrease of 7% in kWh of gas consumed.

In this context, we believe that all significant cost effective opportunities on energy saving initiatives have been taken since the refurbished building was occupied in 2009, so any future reductions in consumption will only result from benign weather conditions, namely cool summers and warm winters.



MAINTAINING OUR ACCOMMODATION

Its Grade II* Listed status means the architectural and historic fabric of the building is protected and alterations, either outside or inside, are carefully scrutinised. As such, the Court during 2012–13 met with English Heritage and Westminster City Council to discuss necessary work on the building, and there were no contentious issues.

Ahead of the expiry on 31 March 2013 of the Ministry of Justice’s contract for Hard Facilities Management services which had embraced the Court from its establishment, a tender exercise under the Public Procurement Regulations was conducted. This resulted in the Court entering into a stand-alone contract with a commencement date of 1 April 2013, which will run for at least five years. Some financial saving is expected from the new direct contract.

Similarly, with the expiry from 30 April 2013 of the Ministry of Justice’s contract for cleaning services covering the Court, a tender exercise for these was also conducted under the Public Procurement Regulations. This resulted in the Court selecting a preferred contractor with whom there is the intention of entering into a contract from 1 May 2013, which will

run for at least five years. Some financial saving is likewise expected from the new direct contract, notwithstanding that the new contractor will be required to pay cleaning staff at least the London Living Wage.

Dealing with Complaints

The UKSC has established procedures in place to deal with complaints. There are separate arrangements for complaints about members of staff exercising their administrative functions, and procedural complaints about the Justices and the Registrar in the performance of their judicial function. A number of complaints received by the Court are in effect seeking to appeal judicial decisions and can therefore not be dealt with under either procedure.

Full details of the Judicial and non-Judicial complaints procedures, including details of how a complaint will be handled, can be found on our websites. If a complainant is not happy with how a non-Judicial complaint has been handled by the Court, they can refer it via a Member of Parliament to the Parliamentary and Health Service Ombudsman (PHSO). In the 2012–13 reporting year, no complaints received by the Court were subsequently referred to the PHSO.



section seven

management commentary

Financial Position (Statement of Financial Position)

The Court's activities are financed mainly by Supply voted by Parliament 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 UK Supreme Court on 1 October 2009. These were Property, Plant & Equipment and Intangible Assets totaling £30m. Of this, £28m represents land and buildings with the remainder being Office Equipment, Furniture and Fittings, Robes and Software Licences.

A liability of £36m was also transferred from the Ministry of Justice. This represents the minimum value of the lease payments for the UK Supreme Court building until March 2039.

There have been no substantial movements in the Gross Assets and Liabilities since the date of the transfer from MoJ.

Results for the Year (Statement of Comprehensive Net Expenditure)

The Operating Cost Statement represents the net total resources consumed during the year by Request for Resources. The results for the year are set out in the Operating Cost Statement. These consist of:

- Net Operating Costs amounted to £5.9m
- Justices and Staff costs of £5.6m
- Other Administration Costs of £0.2m
- Other Programme Costs of £7.6m, and
- Operating Income of £7.46m.

The Court employed an average 46 (Full Time Equivalent) staff during the year ended 31 March 2013. There were also 11 (full time equivalent) Justices who served during the same period. Accommodation costs and Finance Lease costs account for over 59% of non pay costs. Depreciation charges, IT charges, Library and Broadcasting costs were responsible for the majority of other non pay costs.

The Court had operating income of £7.46m which was used to support the administration of justice. Out of this, £6.41m was received by way of contribution from the various jurisdictions i.e. £5.69m from Her Majesty's Courts and Tribunals Service (HMCTS), £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year was £0.85m whilst £0.064m was generated as Court fees for JCPC. The court also had income of about £0.13m 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 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 Supreme Court 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 Treasury control totals against which it is monitored. This information is supplemented by Note 2 which represents Resource Outturn in the same format as the Supply Estimate.

In the year ended 31 March 2013, the UK Supreme Court met all of its control totals. At £5.90m the net resource outturn was £0.94m less than the 2012-13 Estimate of £6.84m. About £0.54m of this reported variance was due to partial utilisation of £1m AME provision for diminution in the value of the building. The value of the building went down by £0.46m which was charged to the Operating Cost Statement. Also, over £0.1m of the remaining variance balance was as a result of savings on Judicial Salaries. This arose because of vacancies on the bench

at various times during the course of the financial year.

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

Statement of Cash Flows

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

The Cash Flow Statement shows a net cash outflow from operating activities of £4.67m.

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 was 3.74 (2011-12 was 3.93 days).

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2011-2012
	£'000
Net Resource Outturn (Estimates)	3,176
Adjustments to additionally include:	
Non-voted expenditure in the OCS	2,724
Net Operating Cost (Accounts)	5,900
Adjustments to additionally include:	
Resource consumption of non departmental public bodies	0
Resource Budget Outturn (Budget) Of which	5,900
Departmental Expenditure Limits (DEL)	5,439
Annually Managed Expenditure (AME)	461

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.

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 by Sir Gus O'Donnell for Government Departments to pay suppliers within 10 working days, the UK Supreme Court achieved 100% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 2.5 days.

Auditors

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

The audit of the financial statements for 2012–13 resulted in an audit fee of £43,000. This fee is included in non staff programme costs, as disclosed in Note 8 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 Corporate services section 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.



Jenny Rowe
Accounting Officer
8 May 2013



section eight

accounts

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Remuneration Report

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 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

Civil Service Commissioners

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

Staff are appraised annually against a set of competencies and individually targeted objectives. Bonuses, which form only a small percentage of total salaries, are the only form of remuneration subject to performance conditions.

Further information about the work of the Civil Service Commissioners can be found at:
www.civilservicecommissioners.gov.uk

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

Salary and Pension entitlements

Full details of the remuneration and pension interests of the Management Board are detailed below and are subject to audit. These tables include for comparison purposes some entries in respect of former members of staff who were employed by UKSC in the earlier financial year.

A – Remuneration

Name and Title	2012-2013			2011-2012		
	Total Remuneration	Of which Bonuses	Benefits in kind	Total Remuneration	Of which Bonuses	Benefits in kind
	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	105-110	-	-	105-110	-	-
William Arnold Director of Corporate Services	80-85	-	-	80-85	-	-
Louise di Mambro Registrar	70-75	0-5	-	70-75	0-5	-
Olufemi Oguntunde Director of Finance	65-70	0-5	-	65-70	0-5	-
Sian Lewis Head of Communications (until 31.03.12)				70-75	-	-
Martin Thompson Building Manager	55-60	-	-	55-60	-	-
Ann Achow Records Manager (until 30.09.11)				25-30 (FYE: 55-60)	-	-
Caroline Smith Head of Human Resources (until 30.9.11)				25-30 (FYE: 50-55)	-	-
Ben Wilson Head of Communications	50-55	0-5	-			
Paul Brigland ICT and Records Manager	35-40	-	-	25-30 (FYE: 35-40)	-	-
Chris Maile Head of Human Resources	35-40	-	-	10-15 (FYE: 35-40)	-	-
Alex Jablonowski Non Executive Director	5-10	-	-	5-10	-	-
Philip Robinson Non Executive Director	5-10	-	-	5-10	-	-

*FYE – Full Year Equivalent

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 UK Supreme Court in 2012-13 was £105,000 to £110,000 (2011-12, £105,000 to £110,000). This was 3.58 times (2011-12, 3.47 times) the median remuneration of the workforce, which was £29,846 (2011-12, £30,843).

In 2012-13, 0 (2011-12, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17,557 to £81,808 (2011-12 £17,273 to £81,808).

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

Salary

'Salary' includes gross salary; performance pay or bonuses; 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 UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Philip Robinson, non-executive director, supplies his services under the terms of a contract, which commenced on 1 August 2009. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

Alex Jablonowski, non-executive director, supplies his services under the terms of a contract, which commenced on 1 August 2009. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

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. The bonuses reported in 2012–13 relate to performance in 2011–12 and the comparative bonuses reported for 2011–12 relate to the performance in 2010–11.

B – Pension Benefits (Audited)

Name and Title	2012–2013						
	Real Increase/ (Decrease) in Pension at age 60	Total Accrued Pension at age 60 31 March 2013	Real Increase/ (Decrease) in Lump sum at age 60	Total Accrued Lump Sum at age 60 31 March 2013	CETV at 31 March 2013	CETV at 31 March 2012	Real Increase/ (Decrease) in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	0–2.5	45–50	0–2.5	135–140	972	917	3
William Arnold Director of Corporate Services	0–2.5	40–45	0–2.5	120–125	917	867	0
Louise di Mambro Registrar	0–2.5	30–35	0–2.5	90–95	677	638	2
Olufemi Oguntunde Director of Finance	0–2.5	10–15	0–2.5	0–5	122	100	13
Ben Wilson Head of Communications	0–2.5	0–5	0–2.5	0–5	19	10	5
Martin Thompson Building Manager	0–2.5	25–30	0–2.5	80–85	583	546	6
Paul Brigland ICT and Records Manager	0–2.5	5–10	0–2.5	25–30	139	128	3
Chris Maile Head of Human Resources	0–2.5	5–10	0–2.5	15–20	74	65	4

Name and Title	2011-2012						
	Real Increase in Pension at age 60	Total Accrued Pension at age 60 31 March 2012	Real Increase in Lump sum at age 60	Total Accrued Lump Sum at age 60 31 March 2012	CETV at 31 March 2012	CETV at 31 March 2011	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	(0-2.5)	45-50	(2.5-5.0)	135-140	917	863	(21)
William Arnold Director of Corporate Services	(0-2.5)	35-40	(2.5-5.0)	115-120	867	819	(22)
Louise di Mambro Registrar	(2.5-3.0)	25-30	(7.5-10.0)	85-90	611	620	(61)
Olufemi Oguntunde Director of Finance	0-2.5	5-10	0-2.5	0-5	100	86	6
Sian Lewis Head of Communications	(0-2.5)	25-30	0-2.5	0-5	509	476	(8)
Martin Thompson Building Manager	(0-2.5)	25-30	(0-2.5)	75-80	547	507	(3)
Ann Achow Records Manager (until 30.9.2011)	0-2.5	20-25	0-2.5	65-70	455	429	3
Paul Brigland ICT and Records Manager (from 27.6.2011)	0-2.5	5-10	0-2.5	20-25	128	116	2
Caroline Smith Head of Human Resources (until 30.9.2011)	0-2.5	15-20	0-2.5	0-5	171	159	3
Chris Maile (from 23.8.2011)	0-2.5	0-5	0-2.5	10-15	65	56	4

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefits schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). 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 and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefits arrangements or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for classic and 3.5% and 5.9% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2013. 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' 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 in respect of service from 01 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated 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 updated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for 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 3% and 12.5% (depending

on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where do they make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employers basic contribution). Employers also contribute a further 0.8% 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 and 65 for members of nuvos.

Further details about Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Values (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 individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Scheme (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual 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 effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contribution 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.

Signed on behalf of the UKSC by



Jenny Rowe
Chief Executive
8 May 2013

Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act 2000, the Supreme Court of the United Kingdom (the Department) is required to prepare resource accounts for each financial year detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The 2012–13 accounts are to be prepared in the form and on the basis set out in the Accounts Direction given by the Treasury dated 17 December 2012.
2. The resource accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Department, and of its the net resource outturn, resources applied to objectives, changes in taxpayers equity, and cash flows for the financial year.
3. HM Treasury has appointed the Chief Executive as Accounting Officer of the Department with overall responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.
4. In preparing the accounts, the Accounting Officer is required to comply with the Financial Reporting Manual (FReM) prepared by HM Treasury, and in particular to:
 - a. observe the accounts direction issued by Her Majesty Treasury including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - b. make judgement and estimates on a reasonable basis;
 - c. state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts; and
 - d. prepare the accounts on a going-concern basis.
5. The responsibilities of an Accounting Officer (including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Department's assets) are set out in the Accounting Officers Memorandum issued by HM Treasury and published in Managing Public Money.

Governance Statement

Introduction

The UKSC is a non-Ministerial department established by the Constitutional Reform Act 2005 which came into existence on 1 October 2009. The role of the Court is to determine arguable points of law of general public importance arising from civil cases throughout the United Kingdom; and from criminal cases in England and Wales and Northern Ireland. The Court also hears cases to determine issues relating to the legislative competence of the devolved administrations, Parliaments and Assemblies.

The UKSC administration assumed responsibility for the administration of the Judicial Committee of the Privy Council (JCPC) on 1 April 2011. The JCPC hears appeals from a number of Commonwealth countries, Crown Dependencies and British Overseas Territories.

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the delivery of the UKSC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

I was appointed Accounting Officer by HM Treasury with effect from 1 October 2009 in accordance with section 5, subsection (6) of the Government Resources and Accounts Act 2000. I am responsible for the non-judicial functions of the Court which have all been delegated to me by the President, in accordance with the Constitutional Reform Act 2005, section 48 (3). Lord Neuberger, on assuming office as President on 1 October 2012, confirmed the delegation of these functions made by his predecessor, Lord Phillips.

There have been no adverse comments from either internal or external audit sources on the way in which these responsibilities are being managed.

The governance framework of the organisation

The UKSC has established a robust governance framework, appropriate for an organisation of its size. More details about this can be found in Section Six of the annual report.

The key elements in place are:

Management Board

- The Management Board is chaired by the Chief Executive and comprises two Non-Executive Directors & all Heads of Division.
- The Board normally meets monthly and considers as standing agenda items:
 - Scorecard report of key performance indicators
 - Finance and fees incorporating financial performance reports
 - Media and communications update
 - Human Resources update
 - Parliamentary Questions and Freedom of Information requests; and
 - Case Update (on appeals before the UKSC/ JPCPC)
- Minutes of the Management Board meetings are posted on the website and made available to staff on the intranet.
- The attendance records of individual board members are disclosed in Section Six of the annual report.

I have considered the effectiveness of the Board against the NAO's compliance checklist for corporate governance in central government departments and no significant weaknesses in Board effectiveness were identified. Agendas for Board meetings comprise a mixture of standard items as listed above and specific issues, some of which are dealt with quarterly, and others as the need arises. Individual members of the Board are held to account for decisions, and the Non-Executive Directors play a full role in challenging and supporting the Executive members of the Board.

The Board receives regular reports from sub-committees and has sight of the Risk Register at each of its meetings. Each quarter the Risk Register is subject to a formal review.

Board papers are generally distributed in good time, and minutes and matters arising are dealt with at each meeting. The Board receives a monthly scorecard setting out key performance information. The statistics are challenged where necessary. The Board plays a full part in developing Strategic and Business Plans and exercises a monitoring role throughout the year. At least once a year the Board has an 'away day' which enables time to be devoted to considering the wider context in which the Court is operating.

Taking all the above factors into account I am satisfied that the governance structure complies with the Code of Practice for Corporate Governance in Central Government Departments, insofar as it is relevant to us. Areas of the Code which require the involvement of Ministers do not apply to us because we are a non-Ministerial department. The size of the UKSC means that we do not require a separate Nominations Committee.

Audit Committee

- The Audit Committee is constituted in line with HM Treasury's Audit Committee Handbook, to advise me as Accounting Officer. It is chaired by one of the Non-Executive Directors.
- The Audit Committee meets four times a year and includes representatives from Scotland and Northern Ireland.
- It considers regular reports by internal audit, to standards defined in the Government Internal Audit Standards, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the UKSC's system of internal control together with recommendations for improvements
- It also reviews the adequacy of management responses to the external auditors' management letter.
- It plays a key role in developing a risk management framework, and in considering the Risk Register. The Chairman of the Audit Committee is the designated officer for whistleblowers.
- It reviews and challenges management on the Annual Report and Accounts.

In 2012–13 the Chair has carried out a limited review against the updated NAO self-assessment checklist and concluded that there is nothing to suggest that the Audit Committee did not meet in full the criteria for good practice. A full review, to be considered by the whole committee, will be carried out in the 2013–14 financial year.

The attendance details of the committee members for 2012–13 is as detailed below;

Audit Committee		
	Maximum number of meetings possible to attend	Number of meetings attended
Philip Robinson Chairman & Non Executive Director	3	3
Alex Jablonowski Non Executive Director	3	3
Charles Winstanley Representative from Scotland	3	3
Laurene McAlpine Representative from Northern Ireland	3	2

The Chief Executive, Director of Corporate Services and Director of Finance are regular attendees of the Audit Committee and they attended all the three meetings held in 2012–13

Health and Safety Committee

- The Health and Safety committee facilitates co-operation and co-ordination between management, employees and contractors so as to ensure everyone's health and safety in the court.
- The committee is chaired by the Director of Corporate Services.
- It meets four times a year and includes representatives of the Trade Unions, and of the Facilities Management and Security Guarding providers.

Members of the Health and Safety Committee are named in Section Six of the Annual Report.

UKSC Court User Group

The User Group is a standing body which provides a forum for practitioners and staff to review the operation of the Court and to make recommendations for changes to the Court's procedure and practice. More details are in Section Four (Listening to our users) of the Annual Report.

Performance against Business Plans

The UKSC publishes an annual Business Plan and the objectives of individual members of staff are derived from that Business Plan. The Business Plan is reviewed regularly and a formal review is conducted by the Management Board at the half-year point. The detailed account of performance against the preceding year's Business Plan is contained in the Annual Report for that year and quarterly reports are also provided to the jurisdictions, detailing performance over the reporting period.

Other elements of the Court's Corporate Governance arrangements include:

- provision of relevant Corporate Governance pages on the UKSC intranet linked to all available guidance and instructions. These are reviewed and updated regularly.
- business and financial planning processes which explicitly take into consideration business risk;
- formal letters of delegated financial authority supported by a system of central budgetary control;
- signed annual reports from divisional Heads on how they manage budgets within their delegated authority, in order to meet their objectives and comply with their corporate governance responsibilities.

Risk assessment

The UKSC is committed to high standards of corporate governance, including the need for an effective risk management system and internal control environment. The Management Board and the Audit Committee both play a full role in this, and members of the Management Board are responsible for owning, monitoring, and managing risks and controls within their areas of direct responsibility. The UKSC Management team, under my leadership, incorporates risk management as a monthly Management Board meeting agenda item. Members of the Management Board are responsible for owning, monitoring and managing risks and controls within their areas of direct responsibilities. Risk owners formally review risks on a monthly basis and report back to the Management Board and Audit Committee.

There was no new major risk identified in the 2012–13 financial year.

The risk and control framework

A Risk Register that identifies, assesses, and sets out mitigating actions to significant risks is in place across the Court. Management and review of the risks identified is carried out at Board level during the Management Board monthly meetings.

The key elements of the UKSC's risk management strategy for identifying, evaluating and controlling risk include:

- The establishment of appropriate committees to maintain strategic oversight of the court's business and activities.
- The Departmental 'Whistle Blowing' policy for confidential reporting of staff concerns.
- Business Continuity Plans (BCP) to manage the risk of disruption to business.
- Identification of new or emerging risks throughout the year. The Management Board always consider risks when decisions are taken or as the risk environment changes. Risks that have a high impact and high likelihood are given the highest priority.
- Careful monitoring of the Court's IT infrastructure and application services, which are provided by Atos Origin and Logica CMG under MoJ contract. This arrangement minimises the risk of IT failure as Atos and Logica have robust infrastructures.

- Regular engagement with key stakeholders, particularly through the Users' group.
- The role of the Senior Information Risk Owner (SIRO). An Information Security policy, information asset register and risk assessment procedure are in place alongside guidance on protective marking and handling documents. Information Asset Owners' roles have been delegated with appropriate guidance rolled out.
- Information assurance training for all staff by means of the Civil Service Learning's (formerly provided by National School for Government) on-line e learning 'protecting information' package. This package is refreshed annually and is mandatory for all staff to complete. There were no 'loss of data' incidents during the year.

Review of the effectiveness of risk management and internal control

In 2012–13 the Management Board held a session on 13 July 2012 to consider the strategic context in which the administration was operating and potential risks. This led to changes in the Risk Register.

The UKSC makes stringent efforts to maintain and review the effectiveness of the system of internal control. Some of these processes are:

- periodic review by Internal Auditors;
- regular review of the Risk Register;
- signed assurance statements from Heads of Division on how they have discharged their corporate governance responsibilities;
- quarterly meetings of the Audit Committee; and
- monthly Management Board meetings with a financial planning report review as a standing item.

Any additional measures to strengthen controls will be incorporated if gaps are identified.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the managers within the Court who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The annual Internal Audit Report has provided the necessary assurances and the opinion of the external auditors is recorded in the accounts. I have been advised on

the implications of the effectiveness of the system of internal control by the Board and the Audit Committee and where any weaknesses have been identified, plans have been put in place to rectify them.

Significant Issues

There were no significant internal control issues, and no significant findings from Internal Audit during the year. The following issues were considered significant by the Management Board:

■ Building Maintenance

Following the entrapment of an individual, and other problems with the lifts, we carried out a complete overhaul of all of our lifts during 2012–13. We continue to do all we can to manage building issues effectively and to ensure there is minimal disruption to the business of the Court.

■ Business Continuity planning

An internal audit review in September 2012 of the action taken to address the matters raised at the original audit conducted in 2010 confirmed that all recommendations had been implemented. A further test was undertaken in January 2013 and identified issues of a technical nature at a recovery site, which are being addressed.

■ Re-tendering of contracts to Achieve Better Value for Money

We are committed to achieving value for money in all aspects of our operations and continued with a review of all inherited contracts as they near the expiry of their contractual term. During the 2012–13 Financial Year, we conducted two significant tender exercises under the restricted procedure of the Public Procurement Regulations and, as a result, will enter into new arrangements during 2013–14 for our Hard Facilities Management services and Cleaning services. These new arrangements should achieve savings without adversely impacting the quality of service delivery.

■ Succession Planning for the Justices

Responsibility for making recommendations for the appointment of Justices of the Supreme Court rests with an ad hoc selection commission established under the CRA 2005. Where vacancies arise because a Justice is approaching retirement age, a selection commission can be established in good time. These arrangements cannot take account of unexpected vacancies, for example, the death of a Justice in service.

J. Rowe

Jenny Rowe
Chief Executive
8 May 2013

Audit Certificate

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the United Kingdom Supreme Court for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department's Statement of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report, Management Commentary, Remuneration Report and Governance Statement

to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

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 2013 and shows that those totals have not been exceeded; and
- 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.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2013 and of its 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.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Annual Report and Management Commentary 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 part of the Remuneration 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.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office

157–197 Buckingham Palace Road
Victoria, London, SW1W 9SP

Date: May 2013

Statement of Parliamentary Supply

SUMMARY OF OUTTURN 2012-2013

Request for Resources	Note	Estimate			Outturn			2012-2013	2011-2012
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted outturn compared with Estimate: saving/(excess)	Outturn Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit									
- Resource		3,009	2,830	5,839	2,715	2,724	5,439	294	5,978
- Capital		52	0	52	40	0	40	12	16
Annually Managed Expenditure	2								
- Resource		1,000		1,000	461	0	461	539	75
Total Budget		4,061	2,830	6,891	3,216	2,724	5,940	845	6,069
Non Budget	3	0	0	0			0	0	(360)
Total		4,061			3,216		5,940	845	5,709
Total Resource		4,009	2,830	6,839	3,176	2,724	5,900	833	5,693
Total Capital		52	0	52	40	0	40	12	16
Total		4,061	2,830	6,891	3,216	2,724	5,940	845	5,709

NET CASH REQUIREMENT 2012-2013

		Estimate	Outturn	2012-2013	2011-2012
	Note	£'000	£'000	Outturn compared with Estimate: saving/(excess)	Outturn
		£'000	£'000	£'000	£'000
Net cash requirement	4	1,979	1,814	165	2,441

ADMINISTRATIVE COSTS 2012-2013

		Estimate	Outturn	2012-2013	2011-2012
	Note	£'000	£'000	Outturn compared with Estimate: saving/(excess)	Outturn
		£'000	£'000	£'000	£'000
	3	1,008	713	295	867

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 87 to 98 form part of these accounts.

Statement of Comprehensive Net Expenditure

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012-2013			2011-2012
		Staff Costs	Other Costs	Income	
		£'000	£'000	£'000	£'000
Administration Costs					
Staff costs	6	640			682
Other administration costs	7		210		285
Income	9			(137)	(100)
Programme Expenditure					
Staff costs	6	4,967			4,825
Other programme costs	8		7,550		7,199
Income	9			(7,330)	(6,838)
Net Operating Cost for the year ended 31 March 2013		5,607	7,760	(7,467)	6,053
Total Expenditure		5,607	7,760	13,367	12,991
Total Income				(7,467)	(6,938)
Net Operating Cost for the year ended 31 March 2013				5,900	6,053
Other Comprehensive Expenditure					
Net (gain)/loss on revaluation of property, plant and equipment		-	-	(3,000)	(615)
Net (gain)/loss on revaluation of intangible assets		-	-	-	(1)
Total Comprehensive Expenditure for the year ended 31 March 2013			-	2,900	5,437

The notes on pages 87 to 98 form part of these accounts.

Statement of Financial Position

AS AT 31 MARCH 2013

	Note	As at 31 March 2013		As at 31 March 2012	
		£'000	£'000	£'000	£'000
Non-current assets:					
Property, Plant & Equipment	10	29,806		28,076	
Intangible assets	11	588		748	
Total non-current assets:			30,394		28,824
Current assets:					
Assets classified as held for sale					
Inventories	14	52		21	
Trade and other receivables	15	1,189		800	
Other current assets					
Cash and cash equivalents	16	36		76	
Total current assets			1,277		897
Total assets			31,671		29,721
Current liabilities:					
Trade and other payables	17	(872)		(780)	
Total current liabilities			(872)		(780)
Non current assets plus/less net current assets/liabilities			30,799		28,941
Non current liabilities:					
Other payables	17	(36,424)		(36,245)	
Total non current liabilities			(36,424)		(36,245)
Total Assets less liabilities			(5,625)		(7,304)
Taxpayers' equity and other reserves					
General fund			(12,215)		(10,894)
Revaluation reserve			6,590		3,590
Total taxpayers' equity			(5,625)		(7,304)

J. Rowe

Jenny Rowe
Chief Executive and Accounting Officer
8 May 2013

The notes on pages 87 to 98 form part of these accounts.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2013

		2012–2013	2011–2012
	Note	£'000	£'000
Cash flows from operating activities			
Net operating cost		(5,900)	(6,053)
Adjustment for non-cash transactions	8	1,513	1,133
(Increase)/Decrease in trade and other receivables	15	(389)	4
less movements in receivables relating to items not passing through the SCNE		0	3
(Increase)/Decrease in inventories	14	(31)	(14)
Increase/(Decrease) in trade payables	17	92	(281)
less movements in payables relating to items not passing through the SCNE		40	(12)
Use of provisions		0	0
Net cash outflow from operating activities		(4,675)	(5,220)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(40)	(16)
Purchase of intangible assets	11	0	0
Proceeds of disposal of property, plant and equipment		0	0
Proceeds of disposal of intangibles		0	0
Loans to other bodies		0	0
(Repayments) from other bodies		0	0
Net cash outflow from investing activities		(40)	(16)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,774	2,496
From the Consolidated Fund (Supply) – prior year			0
From the Consolidated Fund (non-Supply)		2,722	2,541
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		179	254
Net financing		4,675	5,291
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		(40)	55
Receipts due from the Consolidated Fund which are outside the scope of the Department's activities		0	0
Payments of amounts due to the Consolidated Fund			(48)
Net increase/ (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund			
		(40)	7
Cash and cash equivalents at the beginning of the period	16	76	69
Cash and cash equivalents at the end of the period	16	36	76

The notes on pages 87 to 98 form part of these accounts.

Statement of Changes in Taxpayers' Equity

FOR THE YEAR ENDED 31 MARCH 2013

		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
Balance as at 31 March 2011		(9,884)	2,994	(6,890)
Building Revaluation Adjustment		-		-
Restated balance at 1 April 2011		(9,884)	2,994	(6,890)
Net Parliamentary Funding – drawn down		2,496		2,496
Net Parliamentary Funding – deemed		21		21
Consolidated Fund Standing Services		2,541		2,541
Supply (payable)/receivable adjustment		(76)		(76)
Comprehensive Expenditure for the Year		(6,053)	-	(6,053)
Non-Cash Adjustments				
Non-cash charges – auditors remuneration	8	43		43
Movement in Reserves				
Movement in Revaluation Reserve	10,11		614	614
Transfer between reserves		18	(18)	-
Balance at 31 March 2012		(10,894)	3,590	(7,304)
Net Parliamentary Funding – drawn down		1,774		1,774
Net Parliamentary Funding – deemed		76		76
Consolidated Fund Standing Services		2,722		2,722
Supply (payable)/receivable adjustment		(36)		(36)
Comprehensive Expenditure for the Year		(5,900)		(5,900)
Non-Cash Adjustments				-
Non-cash charges – auditors remuneration	8	43		43
Movement in Reserves				-
Movement in Revaluation Reserve			3,000	3,000
Transfer between reserves		-	-	-
Balance at 31 March 2013		(12,215)	6,590	(5,625)

The notes on pages 87 to 98 form part of these accounts.

Notes to the Departmental Resource Accounts

Statement of Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the 2012–13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM 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 FReM also requires the Department to prepare two additional primary statements. *The Statement of Parliamentary Supply* and supporting notes show 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.

1.3 Property Plant and Equipment

The Minimum level for the capitalisation of Property, Plant & Equipment is £5,000.

i. Land & 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 31 March 2013 and 31 March 2012 as valuation dates.

ii. Other Plant & Equipment

These are included at cost. In prior years they were restated at the end of the year using Price Index Numbers for Current Cost accounting however the department has decided from 2012–13 to adopt Depreciated Historic Cost

as a proxy for fair value of assets as it provides a realistic reflection of their consumption and the useful life of the assets are a realistic reflection of the life of the assets.

Other Plant & Equipment are no longer revalued as all assets have a short life and the effect of revaluation has been shown to 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 Depreciation and Amortisation

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 & Equipment:

Building	40 years
Office Equipment	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 included at cost. 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

Operating income is income which relates directly to the operating activities of the UKSC. Operating Income includes judicial receipts, sale of gift items, hire of court facilities for corporate events and contributions from the Jurisdictions (Her Majesty's Courts and Tribunals Service, Northern Ireland Courts and Tribunals Service and the Scottish Government). Judicial receipts are payable at different stages that fairly reflect status of cases. UKSC recognises all fees received in each reporting period as income.

1.8 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme

costs. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in *Managing Public Money* by 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 note 6.

1.10 Leases

Where substantially all risks & 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 6.88%. Other leases are charged to the operating cost statement as a straight-line item over the terms of the lease.

1.11 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 have not been discounted, as the resulting adjustment is not considered material to these accounts.

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

Provisions have not been discounted, as the resulting adjustment is not considered material to these 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

There are no significant estimates or accounting judgements used in the preparation of these accounts.

1.16 Changes in Accounting Policies

The UKSC has considered IAS 1 Presentation of Financial Statements, IAS 19(Revised) Employee Benefits, IFRS 9 Financial Instruments, IFRS 13 Fair Value Measurements together with amendments and annual improvements and new interpretations to existing standards and has determined that there would be no material effect on its current or prior period or a future period.

The UKSC has made an assessment of the proposed changes in the FReM for 2013–14 (Amendments to IAS 19 – Employee Benefits, IFRS 7 Offsetting, IAS 27 Separate Financial Statements and IAS28 Investments in Associates and Joint Ventures) and has determined that there would be no material effect on its current or prior period or a future period.

2. Net outturn

2.1 Analysis of net resource outturn by section

							2012	2011		
							-2013	-2012		
							Outturn		Estimate	
	Administration			Programme			Total	Net Total	Net total compared to Estimate:	Prior Year Outturn
Gross	Income	Net	Gross	Income	Net					
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	
Spending in Departmental Expenditure limit										
Voted	850	(137)	713	9,332	(7,330)	2,002	2,715	3,009	294	3,437
Non Voted	0	0	0	2,724	0	2,724	2,724	2,830	106	2,541
Annually Managed Expenditure										
Voted	0	0	0	461	0	461	461	1,000	539	75
Total	850	(137)	713	12,517	(7,330)	5,187	5,900	6,839	939	6,053

2.2 Analysis of net capital outturn by section

							2012-2013	2011-2012				
							Outturn		Estimate			
							Gross	Income	Net	Net Total	Net total compared to Estimate:	Total
							£'000	£'000	£'000	£'000	£'000	£'000
Spending in Department												
Voted						40	0	40	52	12	16	

3. Reconciliation of outturn to net operating cost and against Administration Budget

3.1 Reconciliation of net resource outturn to net operating cost

			2012-2013	2011-2012
			Outturn	
	Note		£'000	£'000
Total Resource Outturn in Statement of Parliamentary Supply	2		5,900	5,693
Non Budget			0	360
Less Income payable to the Consolidated Fund			0	0
Net operating cost in Consolidated Statement of Comprehensive Net Expenditure			5,900	6,053

3.2 Outturn against final Administration Budget and Administration net operating cost

		2012-2013	2011-2012
		Outturn	Outturn
	Note	£'000	£'000
Estimate - Administration costs limit		1,008	1,109
Outturn - Gross Administration Costs	2	850	967
Outturn - Gross Income relating to administration costs	2	(137)	(100)
Outturn - Net administration costs		713	867
Reconciliation to operating costs			
Less: provisions utilised (transfer from Programme).		0	0
Administration Net Operating Costs		713	867

4. Reconciliation of Net resource Outturn to Net Cash Requirement

		2012-2013	2011-2012
		Estimate	Outturn
	Note	£'000	£'000
Resource Outturn	2	6,839	5,900
Capital Outturn	10, 11	52	40
Accruals to Cash adjustments:			
- Non-cash items	8	(2,082)	(1,513)
Adjustments to reflect movements in working balances			
- Increase/(decrease) in inventory			31
- Increase/(decrease) in receivables			389
- (Increase)/decrease in payables			(132)
Changes in payables falling due after more than one year	17	-	(179)
Non Voted Expenditure		(2,830)	(2,722)
Net cash requirement		1,979	1,814

5. Analysis of income payable to the Consolidated Fund

There were no income payable to the Consolidated Fund for both 2011-12 and 2012-13 financial years.

6. Staff/Justices numbers and related costs

A – STAFF/JUSTICES COSTS COMPRISE					2012–2013	2011–2012
	Justices	Permanent		Other	Total	Total
Front Line Staff		Administrative Staff	Judicial Assistants/ Agency			
	£'000	£'000	£'000	£'000	£'000	£'000
Wages & salaries	2,406	926	443	220	3,995	3,955
Social security costs	317	78	41	22	458	441
Supplementary Judges & Special Advisers	18	0	0	0	18	62
Other pension costs	774	171	89	17	1,051	1,025
Sub-total	3,515	1,175	573	259	5,522	5,483
Agency staff	0	18	67	0	85	24
Net costs	3,515	1,193	640	259	5,607	5,507

Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while the pension costs are paid for by the UKSC.

B. PRINCIPAL CIVIL SERVICE PENSION SCHEME

The Principal Civil Service Pension Schemes (PCSPS) is an unfunded multi-employer defined benefit scheme but the UK Supreme Court is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at: www.civilservice.gov.uk/pensions

For 2012–13, employer's contributions £276,663 were payable to the PCSPS (2011–12 £303,543) at one of four rates in the range of 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates were last revised in 2008–09 but the salary bands were revised from 1 April 2010.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £NIL (2011–12 £NIL) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2011–12 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £NIL, 0.08 per cent (2011–12: £NIL 0.08 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £Nil

There were no early retirements on ill health grounds in 2012–13. (2011–12 None)

C. AVERAGE NUMBER OF PERSONS EMPLOYED AND JUSTICES THAT SERVED

The average number of whole-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.

THE SUPREME COURT OF THE UNITED KINGDOM					2012-2013	2011-2012
	PERMANENT			OTHER	Total	Total
	Justices	Frontline Staff	Administrative Staff	Judicial Assistants/ Agency		
	12	30	9	8	59	59
Total	12	30	9	8	59	59

7. Other Administration Costs

	2012-2013		2011-2012	
	£'000	£'000	£'000	£'000
Catering Costs	44		58	
Other Staff Costs	37		42	
Staff Travel	14		6	
Hospitality and Events	14		14	
Printing, Postage, Stationery and Publications	93		142	
Internal Audit and Governance Expenses	8		23	
Total Administration Costs		210		285

8. Programme costs

	Note	2012-2013		2011-2012	
		£'000	£'000	£'000	£'000
Accommodation costs		1,992		2,347	
Finance costs		2,510		2,538	
Library costs		239		256	
IT costs		207		388	
Publicity and communications		121		98	
Broadcasting costs		167		215	
Repairs and maintenance		633		66	
Recruitment and judicial appointment costs		45		19	
Transportation costs		98		107	
Other case costs		19		0	
International Judicial travel		6		32	
			6,037		6,066
Non-cash items:					
Depreciation	10	849		854	
Amortisation	11	160		161	
Impairment	10	461		75	
Auditors' remuneration and expenses		43		43	
Total non cash			1,513		1,133
Total programme costs			7,550		7,199

9. Income

OPERATING INCOME, ANALYSED BY CLASSIFICATION AND ACTIVITY, IS AS FOLLOWS:

	2012–2013		2011–2012	
	£'000		£'000	
All operating income is included within public expenditure:				
Contribution from HMCTS	(5,698)		(5,253)	
Contribution from Scottish Government	(478)		(478)	
Contribution from Northern Ireland Courts and Tribunals Service	(239)		(239)	
Total contributions	(6,415)		(5,970)	
Court fees – UKSC	(851)		(727)	
Court fees – JCPC	(64)		(141)	
Wider Market Initiatives	(137)		(100)	
Total income	(7,467)		(6,938)	

	2012–2013			2011–2012		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Total Court fees	(915)	13,230	(12,315)	(868)	12,891	(12,023)
Wider Market Initiatives	(137)	137	0	(100)	100	0
	(1,052)	13,367	(12,315)	(968)	12,991	(12,023)

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

The UK Supreme Court does not recover its full cost of operations from Court fees as this might impede access to Justice.

The UK Supreme Court has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

10. Property, Plant and Equipment

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2012	10,000	17,190	998	1,876	154	30,218
Additions	-	-	12	28	-	40
Revaluations	3,000	(461)	-	-	-	2,539
At 31 March 2013	13,000	16,729	1,010	1,904	154	32,797
Depreciation						
At 1 April 2012	-	(1,087)	(343)	(703)	(9)	(2,142)
Charged in year	-	(428)	(140)	(278)	(3)	(849)
At 31 March 2013	-	(1,515)	(483)	(981)	(12)	(2,991)
Net book value at 31 March 2013	13,000	15,214	527	923	142	29,806
Asset financing						
Owned	1,592					
Finance leased	28,214					
On-balance sheet	29,806					
PFI contracts	-					

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2011	9,000	17,667	999	1,835	152	29,653
Additions	-	-	-	16	-	16
Revaluations	1,000	(477)	(1)	25	2	549
At 31 March 2012	10,000	17,190	998	1,876	154	30,218
Depreciation						
At 1 April 2011	-	(656)	(206)	(415)	(6)	(1,283)
Charged in year	-	(431)	(141)	(279)	(3)	(854)
Revaluations	-	-	4	(9)	-	(5)
At 31 March 2012	-	(1,087)	(343)	(703)	(9)	(2,142)
Net book value at 31 March 2012	10,000	16,103	655	1,173	145	28,076
Asset financing						
Owned	1,973					
Finance leased	26,103					
On-balance sheet	28,076					
PFI contracts	-					

11. Intangible assets

Intangible non-current assets comprise software licences	Purchased software licences
	£'000
Cost or valuation	
At 1 April 2012 and 31 March 2013	1,133
Amortisation	
At 1 April 2012	(385)
Charged in year	(160)
At 31 March 2013	(545)
Net book value at 31 March 2013	588
	Purchased software licences
	£'000
Cost or valuation	
At 1 April 2011	1,134
Revaluations	(1)
At 31 March 2012	1,133
Amortisation	
At 1 April 2011	(224)
Charged in year	(161)
At 31 March 2012	(385)
Net book value at 31 March 2012	748

12. 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.

13. Impairments

		2012–2013	2011–2012
	Note	£'000	£'000
The total impairment charge for the year is analysed below:			
Amount charged direct to the statement of comprehensive net expenditure	8	461	75
Amount taken through the revaluation reserve	12, 13	-	380
Total		461	455

14. Inventories

		2012–2013	2011–2012
		£'000	£'000
Opening balances		21	7
In year movement		31	14
Total		52	21

15. Trade Receivables and other current assets

A – ANALYSIS BY TYPE		2012–2013	2011–2012
		£'000	£'000
Amounts falling due within one year:			
Trade receivables		0	29
VAT recoverable		110	183
Staff receivables		17	14
Prepayment and accrued income		1,062	574
Total		1,189	800

B – INTRA-GOVERNMENT BALANCES		2012–2013	2011–2012
		£'000	£'000
Balances with other central government bodies		110	183
Balances with local authorities		462	0
Subtotal: intra-government balances		572	183
Balances with bodies external to government		617	617
Total receivables at 31 March		1,189	800

16. Cash and Cash Equivalents

		2012–2013	2011–2012
		£'000	£'000
Balance at 1 April		76	69
Net changes in cash and cash equivalent balances		(40)	7
Balance at 31 March		36	76
The following balances at 31 March were held at:			
Government Banking Service (RBS & Citibank)		36	76
Balance at 31 March		36	76

17. Trade Payables and other current liabilities

A – ANALYSIS BY TYPE	2012–2013	2011–2012
	£'000	£'000
Amounts falling due within one year:		
Other taxation and Social Security	(107)	(110)
Trade payables	4	(170)
Amounts issued from the Consolidated Fund for supply but not spent at year end	(36)	(76)
Consolidated Fund extra receipts due to be paid to the Consolidated Fund	-	-
Accruals and deferred income	(733)	(424)
	(872)	(780)
Amounts falling due after more than one year:		
Finance leases	(36,424)	(36,245)
	(37,296)	(37,025)
B – INTRA-GOVERNMENT BALANCES	2012–2013	2011–2012
	£'000	£'000
Balances with other central government bodies	(144)	(187)
Subtotal: intra-government balances	(144)	(187)
Balances with bodies external to government	(37,152)	(36,838)
Total creditors at 31 March	(37,296)	(37,025)

18. Provisions for Liabilities and Charges

There were no provisions or claims during the year and in 2012–13.

19. Capital Commitments

There were no capital commitments.

20. Commitments under leases

20.1 – OPERATING LEASES	2012–2013	2011–2012
Total future minimum lease payments under operating leases are given in the table below for each of the following periods	£'000	£'000
Obligations under operating leases comprise:		
Other		
Not later than 1 year	20	30
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total	20	30
20.2 – FINANCE LEASES	2012–2013	2011–2012
Total future minimum lease payments under finance leases are given in the table below for each of the following periods	£'000	£'000
Obligations under finance leases comprise:		
Land		
Not later than 1 year	1,101	893
Later than 1 year and not later than 5 years	4,687	3,802
Later than 5 years	33,656	28,992
	39,444	33,687
Less: Interest Element	(22,661)	(19,802)
Net total	16,783	13,885
Building		
Not later than 1 year	1,289	1,438
Later than 1 year and not later than 5 years	5,485	6,122
Later than 5 years	39,386	46,688
	46,160	54,248
Less: Interest element	(26,519)	(31,888)
Net total	19,641	22,360
Grand total	36,424	36,245
	2012–2013	2011–2012
Present Value of obligations under finance lease for the following periods comprise	£'000	£'000
Land		
Not later than 1 year	1,031	836
Later than 1 year and not later than 5 years	3,730	3,022
Later than 5 years	12,022	10,027
	16,783	13,885
Building		
Not later than 1 year	1,207	1,347
Later than 1 year and not later than 5 years	4,365	4,866
Later than 5 years	14,069	16,147
	19,641	22,360
Grand total	36,424	36,245

21. Commitments under PFI contracts

There were no commitments under PFI contracts.

22. Other financial commitments

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

23. Contingent liabilities

UKSC has entered into a loan agreement with the Middlesex Guildhall Collection Trust in respect of Works of Arts located in the building. The department agreed to indemnify the Trust against loss or damage occasioned to the items and has put an insurance policy in place to cover any incidental financial loss.

None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is too remote.

24. 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.

25. 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.

UKSC had a number of significant transactions with other government departments and other central government bodies, these transactions relate to income devolved from the Ministry of Justice.

The Ministry of Justice provide shared services for UKSC. There were no outstanding balances as at 31 March 2013.

26. 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.

	2012-2013	2011-2012
	£'000	£'000
Balance as at 1 April 2012	325	325
Add: Receipts - lodgements by appellants	120	-
Less: Repayments to appellants/ respondents	(100)	-
Total as at 31 March 2013	345	325

27. Post Balance Sheet Events

There are no disclosable post balance sheet events.

annex

Jurisdictions where the Privy Council is the final Court of Appeal

Overseas jurisdictions

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

Brunei

Civil Appeals from the Court of Appeal to the Sultan and Yang di-Perchian for advice to the Sultan.

Power also exists for the Sovereign to refer any matter to the Judicial Committee under section 4 of the Judicial Committee Act 1833.

UK jurisdictions

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



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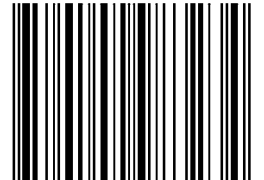
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