

## HMCS Board

**Friday 17 February 2007 at Selborne House, London**

**Present:**

Sir Ron De Witt (Chair)	Chief Executive, HMCS
Dorothy Brown	Human Resources Director for HMCS
Keith Budgen	Regional Director, South East
Alan Eccles	Regional Director, Midlands
Alan Fenton	Estates Director
Philip Lloyd	Resources Director
Mee-Ling Ng	Non-executive Director
Mark Ormerod	Director – Civil & Family and Customer Services
Neil Ward	Chief Operating Officer

**Also attended:**

Atula Gor	Communications Director
David Greensmith	Justices' Clerks Society (for minute 11)
Elaine Laken	Justices' Clerks Society (for minute 11)
Paul McGladrigan	London Region
Darren Scates	Director of IT Business Partners
Luigi Strinati	Wales Region
Karen Wheeler	Change Programme Director
David Willis	Chief Executive's Office

The Chairman welcomed members of staff to the meeting. Those observing the meeting would be excluded during consideration of confidential business.

**Sir Peter Bonfield and Jeff Denton**

The Chairman advised that Jeff Denton was unable to attend the meeting as he was seriously unwell. He had sent best wishes to Jeff Denton on behalf of the Board.

The terms of office of both Sir Peter Bonfield and Jeff Denton as non-executive Board members would come to an end at 1 April and the Board thanked them for their service.

Candidates had been interviewed for appointment as non executive Board members and a workshop would be held for those appointed on 19 March. It was probable that a 'buddy' system would be set up to link non-executives with specific service areas.

## Apologies for absence:

Sir Peter Bonfield, Stephen Caven, Nick Chibnall, Alastair Clegg, Jeff Denton, Yvonne Gallagher, Lord Justice Leveson, Chris Mayer, Kevin Pogson, Peter Risk and Clare Sumner

### 1.0 Minutes of meeting held on 15 December 2006

- 1.1 Subject to amending the action point under minute 13.2 to refer to HR representatives on the national committee, the minutes were agreed and signed as a correct record.
- 1.2 The action log was noted. Mediators had all been appointed and trained to support proportionate dispute resolution and the mediation scheme would commence on 1 April 2007.

### 2.0 Declarations of interest

- 2.1 None.

### 3.0 Audit Committee, 26 January 2007

- 3.1 The Board received and noted the minutes of the Audit Committee meeting held on 26 January 2007.

### 4.0 Performance and operations

- 4.1 The Board received a detailed report on performance against PSA targets. Headcount targets were being achieved but reductions were having an impact on performance, particularly in magistrates' and county courts. Neil Ward would arrange for a table to be produced for the Chief Executive showing where reductions were being implemented. In some cases additional staff resources would be the only solution to performance issues but the question arose of from where the staff would be taken and the effect of that on other areas of work. Civil courts were likely to be discussed at the Select Committee and a briefing was being prepared in relation to this.
- 4.2 The Board noted the possibility of staff being seconded from the Legal Service Commission and the Chief Executive would discuss this with the LSC chief executive. There was also the prospect of staff being released from IT work by eDelivery Group (eDG). The consequences for HMCS and the possibility of transferring headcount would be pursued between Darren Scates and Karen Wheeler.

**Action:** (1) Neil Ward to arrange for a table to be produced for the Chief Executive showing where headcount reductions were being implemented;  
(2) Ron De Witt to discuss with LSC the potential secondment of staff;  
(3) Darren Scates and Karen Wheeler to discuss the consequences for HMCS of release of staff from IT work and potential for transferring resources to HMCS.

4.3 The possibility of creating a trading fund for civil work was noted. Philip Lloyd would continue to pursue this.

**Action: Philip Lloyd to continue to undertake work on the trading fund, working with Mark Ormerod and his team.**

4.4 The matter of formulae for the allocation of staff to courts was under consideration. Consideration was also being given to the possibility of a role for legal advisers in county courts. Jayne Skeates was drafting a paper outlining the principles involved and David Greensmith and Elaine Laken, on behalf of the Justices' Clerks Society, would be invited to participate in that work. If necessary the Chief Executive would contact the Association of District Judges to pursue this.

**Action: (1) Alan Eccles to arrange for David Greensmith/Elaine Laken to participate in the work on extending the role of legal advisers into county courts;  
(2) Mark Ormerod to consider whether and when the Chief Executive should engage in discussions with the District Judges Association.**

4.5 The Board noted that discussions on ancillary staff and outsourcing would commence with the trade unions. Neil Ward would circulate a paper for approval and circulate a note to staff.

**Action: Neil Ward to circulate a paper on ancillary staff and outsourcing and issue a note to staff.**

4.6 Neil Ward advised that, following a presentation from him and Karen Wheeler, the DCA Departmental Management Board had agreed that Libra should proceed to deployment, which was expected to be completed by December 2008.

4.7 There was some concern at the burden placed on courts by the number of visits from Ministers, DCA and HMCS for which they had to prepare. Although these should be co-ordinated through the Chief Executive's office in order that the burden should not fall disproportionately on some courts, this did not always happen.

## **5.0 Business Plan, 2007-08 – timetable and process**

5.1 The timetable for publication of the Business Plan anticipated publication on 3 April. The Board agreed the timetable which included consulting members outside the board meeting.

**Action: Terry Sweeney to implement publication timetable.**

## **6.0 Review of HMCS financial position, 2006-07**

6.1 Agreement had been reached to return to DCA up to £10m of under-spend to cover HMCS related costs in eDG and this was now reflected in the full year forecast. In addition £5m of civil IT projects had been delayed to 2007/08. End year flexibility (EYF) for these amounts had been requested from DCA as part of the agreement.

6.2 The quarter three position against the current budget was:

- on the resource budget (cash) a favourable variance of 1.8%, making an under spend of £ 9.1m.
- on the resource budget (non-cash) a £Nil variance.
- on the capital budget a favourable variance of £ 72.9m, a proportion of which would disappear when timing issues reversed.

6.3 The full year forecast position as at the end of December against the current budget indicated:

- on the resource budget (cash) a £10.0m under spend.
- on the resource budget (non-cash) a £Nil variance.
- the aggregate of the cash and non-cash resource DEL would be a £10.0m under spend.
- on the capital budget a £39.4m under spend.

6.4 Directors would continue to control costs in the last quarter in order to achieve a balanced budget and the required DCA funding by the year end.

6.5 The Board noted the current position on Restructuring and Modernisation Programme (RAMP) funding for which a total of £15.3m had been allocated. The programme provided for a full-time equivalent workforce reduction of 160.03. Directors were asked to ensure that any further applications for early departure were submitted in time for consideration on 14 or 15 March.

**Action: All to ensure that early departure applications are submitted in time for consideration on 14 or 15 March.**

6.6 Fee income had reduced during January; Philip Lloyd was looking into this to see whether there was an underlying trend and would advise Mark Ormerod.

**Action: Philip Lloyd to advise Mark Ormerod of the reasons for recent fee income changes.**

6.7 The Chairman thanked those involved for their work in managing the budgets in such a positive way as to reach the end of month 9 in this position.

## **7.0 Governance – Board structure and processes**

7.1 Appointments as non-executive Board members had been offered, subject to references, to four candidates. This would bring the total number of non-executive members to six, an increase of one. The appointments would be for three years, extendable to a maximum of six which would allow appointments to be staggered and provide for continuity. The Audit Committee had recommended that the term of office of non-executive members of the regional risk and audit committees should be increased and the Board agreed they should similarly be set at three years, extendable to six. Cabinet Office guidance was that non-executive roles should

explicitly have no executive functions. Non-executive members would therefore have no vote, although their views could be recorded in minutes where appropriate.

7.2 As part of the organisation's maturation process, the governance structures for the Board and its committees had been reviewed. The Board would focus on strategy and performance and feed in to DCA performance structures. Operational business would generally be taken through the Operational Committee with the Chief Operating Officer considering which issues then needed to be reported up to the Board and representing operational interests at Board. However, regional directors were welcome to attend Board meetings at any time and it would be important for them to do so in relation to HMCS-wide issues for which they were responsible. Similarly, although central directors would not normally sit on the Operational Committee, they would need to attend meetings for appropriate matters. The executive members of the Board would consult as necessary so that the Board would receive advice and guidance covering all aspects of HMCS business.

7.3 The Operational Board and Management Team had recently endorsed introduction of an operational 'kite mark' – an assurance process to ensure that the operational implications of proposals were fully understood and taken into account. Individual business areas would consult operational directors directly to obtain assessments of the impact on operations rather than use the Chief Operating Officer or his office to co-ordinate responses.

**Action: Individual business areas to consult operational directors directly to obtain assessments of the impact of proposals on operations rather than using the Chief Operational Officer or his office to co-ordinate responses.**

7.4 In order to clarify relationships, the HMCS Board would be the only body styled as a board: subordinate groups would be called 'committees'. An organisational chart would be prepared showing the lower level structure and presented to a future meeting..

7.5 An Executive Committee would replace the current Management Team, with smaller membership. It would meet weekly, often on a less formal basis than the current Management Team. A Corporate Services Committee would take over the functions remaining from the Property Board and take on functions relating to risk and procurement. The Change Programme Governance Committee would remain largely as now but would now lead on IT systems and modernisation. Day to day IT matters, as distinct from developments, would come under the Corporate Services Committee. The Audit Committee and regional risk and audit committees would remain unchanged.

7.6 The Board agreed the structure set out at the appendix and noted that each of the committees would review their terms of reference and consider the scope of delegation which they needed. Each would need to develop a forward programme of work and meetings would be scheduled so that work could flow from one to the other. Apart from the Audit Committee whose minutes would continue to be reported to the Board as now, the Board would not receive minutes of meetings of these committees. However, annual progress reports would be submitted by the Executive, Corporate Services and Operational Committees, phased so that the Board would receive one report a quarter.

- 7.7 The new arrangements would operate from 1 April 2007, although the first meeting of the Corporate Services Committee would be called sooner to consider the risk register.
- 7.8 Board meetings would continue in the same pattern as now and the quorum for meetings would be four, at least one of whom would normally be a non-executive member.
- 7.9 The Management Team had earlier invited the President of the Family Division to meet them. He had agreed to attend the meeting of the Executive Committee on 4 April when regional directors would also be invited to attend.

**Action: (1) David Willis to establish new structure from 1 April 2007 and arrange for future report on terms of reference, delegations and sub-structure; (2) Kirk Siderman-Wolter to increase the term of office of non-executive members of regional risk and audit committees to 3 years, extendable to 6. (3) David Willis to invite the President of the Family Division and regional directors to the meeting of the Executive Committee on 4 April.**

## **8.0 Human Resources**

- 8.1 The process of 'mapping' HMCS staff across into the new grading structure had been undertaken consistently and according to timetable and the HR Director expressed her thanks for this. The process would be subject to national validation before completion.
- 8.2 An HR performance pack was in development and a draft was submitted. It was hoped that the first pack would be available in May.
- 8.3 The Communications Director was, in conjunction with HR, introducing a dedicated communications team of four people to take a proactive role in relation to pay and grading communications. The team would be expected to operate until October 2007, but could extend beyond that if necessary. The Chief Operating Officer was in the process of identifying someone who could be seconded to pay and grading project work.

## **9.0 Ministry of Justice**

- 9.1 The Board noted the position over discussions in relation to possible establishment of a ministry of justice.

## **10.0 Risk register**

- 10.1 The Board considered the corporate risk register. They noted that the top risks had changed with recent decisions and that the Corporate Service Committee would consider the register at their first meeting.

## **11.0 A model for the provision of Justices' Clerks in England and Wales**

- 11.1 The Regional Director, Midlands, reported on developments since the last meeting. He and the Chief Executive had met representatives of the Justices' Clerks Society (JCS). He had also met the Senior Presiding Judge and discussed matters around the courtroom work of Justices' Clerks/legal advisers. He would be taking this further

with the representatives of the JCS to ensure that an effective assurance process was introduced. The Senior Presiding Judge, JCS representatives and the appropriate trade union representative had received confidential briefings on pay and grading.

- 11.2 The Board noted that the Council of the JCS supported the proposals which they felt reflected the senior standing of Justices' Clerks and would lead to a clear career structure. There was a strong desire for certainty and for the matter to be settled.
- 11.3 The Board adopted the principles and modelling outlined in the report following consultation as the framework within which to make future decisions about the provision of Justices' Clerks posts within HMCS. Further work was needed before a detailed implementation plan could be presented and it was hoped this could be available for the next meeting. A project plan and timetable was needed and the availability of support from the Change Programme team for project management/implementation was noted.

**Action: Alan Eccles in conjunction with Karen Wheeler to prepare a project plan/timetable.**

- 11.4 It was agreed that a submission was needed for the Secretary of State, which would be prepared for signing on Ron De Witt's return from leave on 12 March. Prior to this, the opportunity should be taken to make his Private Office aware. David Greenfield (JCS) would be invited to contribute to the submission. Support for the proposals from other group would be noted in the submission. The linkage to pay and grading proposals would also be noted. Following the submission, the proposals and implementation would be discussed with the Magistrates Association and regional management boards would manage their local moderation of the proposals, taking into account detailed local knowledge and further consultation with local stakeholders. Ron De Witt would discuss with Alan Eccles how best to utilise the support of the bench chairmen. The Operational Committee would also consider handling issues.

**Action: (1) Karen Wheeler to prepare submission for the Secretary of State; Neil Ward/Alan Eccles to take opportunity to make his Private Office aware the submission would be coming;**  
**(2) Ron De Witt to discuss proposals with the Magistrates Association;**  
**(3) regional directors to arrange for Regions to undertake detailed work through regional management teams;**  
**(4) Ron De Witt and Alan Eccles to discuss how best to utilise existing support;**  
**(5) Neil Ward to arrange for the Operational Committee to consider handling issues.**

- 11.5 The report by Alan Eccles would remain confidential at this stage but he, Karen Wheeler and Atula Gor would agree the points to be communicated. The Board agreed the report could be shared with the bench chairmen forum on a confidential basis.

## **12.0 HMCS budget 2007-08 and allocations**

- 12.1 Budget allocations within the DCA 'family' would be made in the week following the meeting. It was expected that the capital allocation would be sufficient to enable

some projects from the high priority estates projects to go ahead. It was likely that substantial savings would need to be made in addition to current economies on the near-cash (resource) budget and discussions were under way with DCA to establish to what extent potential savings identified so far would count. When resolved, allocations would be notified to regional directors. It was hoped that reductions would not need to come from front line services. The service pressures caused by restructuring and change were well recognised and it was understood that 'business as usual' was more difficult than hitherto.

**Action: Philip Lloyd to notify allocations to directors when available.**

- 12.2 It would be necessary to examine carefully alternative ways to finance schemes so that funds currently earmarked might be released to enable a greater number of projects to be undertaken.

**Action: Philip Lloyd to continue looking at alternative methods of financing capital projects in order to maximise potential funds..**

- 12.3 The Chief Executive considered that sound and cogent arguments had been advanced to the DCA on behalf of the HMCS budget and thanked those involved.

### **13.0 HMCS change programme**

- 13.1 The Libra programme would undergo a name change to reflect more closely the business application of the system. Programmed implementation was on target. A gateway review would be held in March when it was hoped the RAG status would improve from red. National deployment was programmed from May. Work was under way in relation to future business processes.
- 13.2 The Board noted progress on change projects and issues emerging from regional impact assessments and pressures identified across all regions. They noted that, although it was the intention to avoid concurrent Libra deployment and Criminal Justice Simple, Speedy, Summary (CJSSS) magistrates' courts streamlining rollout, this would not be possible in all areas.

### **14.0 City of Westminster Magistrates' Court**

- 14.1 The majority of contracts were now in place for the new City of Westminster Magistrates' Court.

### **15.0 Next meeting – 8 June 2007 at 10.30am.**

**Signed:**  
**Chair**

**Date:**

**HMCS – TERMS OF REFERENCE OF BOARDS & COMMITTEES****HMCS Board (quarterly)****Purpose**

To provide strategic oversight, guidance, scrutiny of and challenge to the work of Her Majesty's Courts Service in support of the Chief Executive

**Terms of reference**

- To approve annual budgets and business plan
- To review performance against PSA targets, budgets and business plan.
- To agree spending review priorities, targets and plans as they affect Her Majesty's Courts Service.
- To review the delivery of services to court users.
- To ensure compliance by Her Majesty's Courts Service with corporate governance principles.

**Membership**

Chief Executive (chair), Director of Resources, Chief Operating Officer, Director - Civil, Family and Customer Services, Director of Crime & Strategy, Director of HR for HMCS; non-executive Board members (6)

Other directors and business partners to attend as necessary depending on business for the particular meeting.

**Executive Committee (monthly, with informal weekly meetings)****Purpose**

To provide operational and strategic co-ordination and guidance to the work of Her Majesty's Courts Service in support of the Chief Executive.

**Terms of reference**

- To ensure that Government policy is effectively implemented throughout Her Majesty's Courts Service and that the Service has had proper input into the development of that policy.
- To review progress against corporate budgets
- To review progress against the business plan, agreed targets and indicators
- To initiate, develop and approve corporate policies
- To consider the impact of new initiatives on HMCS and where necessary review budgets and business plans
- To approve and control major programmes and projects which are outside the scope of the Change Programme.

**Membership**

Chief Executive (chair), Director of Resources, Chief Operating Officer, Director - Civil, Family and Customer Services, Director of Crime & Strategy, Estates Director, Change

Programme Director, Communications Director, Director of HR for HMCS, Director of IT Business Partners

Other directors to attend as necessary depending on business for the particular meeting.

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### **Corporate Services Committee (monthly)**

#### **Purpose**

To provide collective advice to the Executive Committee on the effective operation of corporate services and ensure corporate services are responsive to and enable service delivery according to the business plan.

#### **Terms of reference**

- Review corporate systems, structures, targets and resources other than those included within the Change Programme
- To review human resources and workforce issues
- To review IT issues other than those within the Change Programme
- To monitor and advise on the implementation of the HMCS Estates Strategy.
- To lead on issues of health & safety and security across the HMCS Estate.
- Procurement standards, targets, performance; value for money.
- Review systems of internal control and risk register
- Annual report to Audit Cttee & HMCS Board on risk and internal control.

#### **Membership**

Director of Resources (chair), Chief Operating Officer, Estates Director, Communications Director, Director of HR for HMCS, Director of IT Business Partners

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### **Operational Committee (monthly)**

#### **Purpose**

To provide collective advice to the Executive Committee on the delivery of services through the courts.

#### **Terms of reference**

- To manage delivery against overall operational performance, finance and manpower targets and to commission remedial action as appropriate.
- To identify obstacles to the delivery of improved services and develop solutions and plans to address those obstacles.
- To develop and promote a culture of high performance and customer centric services
- To review and sustain the capacity of the organisation to deliver change effectively.
- To provide a constructive and supportive forum for Regional Directors to share issues and receive collective advice.
- To be open, inclusive and straightforward in our dealings with each other and with colleagues.

## **Membership**

Chief Operating Officer (chair), regional directors, Director RCJ Group.

Agenda – driven so there will be occasions when central directors and shared services colleagues will attend.

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## **Change Programme Governance Committee**

### **Purpose**

To deliver the HMCS business and re-engineering strategy, as quickly, efficiently and effectively as possible

### **Terms of reference**

- scope of the change programme;
- funding & priorities;
- re-engineering blueprint;
- impact of change/capacity management;
- risk management for the change programme;
- IT systems and modernisation.

### **Membership**

Chief Executive (chair), Change Programme Director, DCA Director-General, Finance, DCA Change Director, Director of HR for HMCS, Director of Resources, Chief Operating Officer, Director – Civil, Family & Customer Services; Director of Crime & Strategy, Communications Director, DCA Chief Information Officer, Senior Presiding Judge, Non-executive Director (Mee Ling Ng)

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## **Audit Committee**

### **Purpose**

Support the discharge of the Accounting Officer's responsibilities for governance, risk management, control and assurance.

### **Terms of reference**

Advise the Agency Accounting Officer on its review of:

- internal control and risk management
- financial reporting
- internal and external audit
- service delivery programmes, projects and investigations

### **Membership**

3 Board non-executive members, 3 chairs of regional risk & audit committees (chosen by rotation)

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## **Regional Risk & Audit Committees**

### **Purpose**

To ensure corporate standards of internal control and risk management are applied at regional level.

### **Terms of Reference**

- review regional systems of internal control & risk management, audit reports & service delivery arrangements;
- review annual report on effectiveness, statement on internal control & other governance reports.

### **Membership**

2 Non-executive members, 3 executive (4 + 4 in London where RCJ and London region combine)

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